



The Old and the New Germany





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THE OLD AND THE NEW
GERMANY

BOOKS by JOHN FIRMAN COAR

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EIGHTEENTH CENTURY

MODERN GERMAN LITERATURE

DEMOCRACY AND THE WAR

GERMAN ACTUALITIES

THE OLD AND THE NEW GERMANY

JOHN FIRMAN COAR



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It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence.

George Washington

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FOREWORD

The author of this volume began his after-war observations of German conditions deeply prejudiced, not only by the war, but by the activity of hyphenates. Still, no normal human being—and he trusts he is still normal—can long move among his fellows in intimate daily intercourse without meeting sooner or later some one in whom a common humanity shines forth so finely that he begins to discover it in others also. This was the author's experience in Germany. In the light of it he has endeavoured to tell the story of the New Germany. He has prefaced this story with a brief analysis of our war-time conception of the Old Germany. He has done this, not merely to set forth more distinctly the changes that have taken place in Germany, but incidentally also to suggest that no people, not even the American, is entitled to sit in judgment on another people.

It is, therefore, not unlikely that over-zealous Americans, more especially those who regard everything as un-American that is not to their personal taste, will charge the present writer with pro-

FOREWORD

Germanism. The risk does not appall him. For he is convinced that no American whose goodwill he would wish to gain or retain, applies the pro-English or anti-English, the pro-Irish or anti-Irish, the pro-French or anti-French, the pro-German or anti-German test to his Americanism or to that of his acquaintances. Should the time ever come, which God forbid, when it no longer suffices to cherish an intelligent understanding of the principles on which American institutions were founded, a sturdy faith in them and an active loyalty to them, then lordly judgments will be in order and America will become a meaningless word. Understanding, faith, and loyalty cannot long endure and continue to make for the progress of our country and the advancement of civilization if we make them subservient to national animosities.

Some of the material of Part II has been published heretofore in forward-looking periodicals, such as *The Canadian Forum* (Toronto) and *The Independent* (New York), to which the author desires to give special credit.

J. F. C.

Kingston, Massachusetts
June 1923

CONTENTS

PART I AUTOCRATIZED KULTUR

| | | |
|-------------|--------------------------------------|----|
| CHAPTER I | PAN-GERMANISM AND THE ABSOLUTE STATE | 13 |
| CHAPTER II | KULTUR | 29 |
| CHAPTER III | BUREAUCRACY AND MILITARISM | 58 |
| CHAPTER IV | CITIZEN OR SUBJECT | 73 |

PART II DEMOCRATIZING KULTUR

| | | |
|--------------|----------------------------|-----|
| CHAPTER V | SELF-COMMUNINGS | 81 |
| CHAPTER VI | THE REVOLUTION THAT FAILED | 88 |
| CHAPTER VII | THE NEW POLITICAL KULTUR | 116 |
| CHAPTER VIII | THE NEW ECONOMIC KULTUR | 144 |
| CHAPTER IX | THE NEW SOCIAL KULTUR | 172 |
| CHAPTER X | THE GERMAN COMMONWEALTH | 202 |

PART III OBSTRUCTING DEMOCRACY

| | | |
|--------------|---------------------------------|-----|
| CHAPTER XI | WHAT HAPPENED TO GERMANY | 221 |
| CHAPTER XII | GERMANY'S DISASTROUS PROSPERITY | 244 |
| CHAPTER XIII | POST-BELLUM PSYCHOSIS | 259 |
| APPENDIX: | INDEX OF TOPICS AND NAMES | 277 |

PART I

AUTOCRATIZED KULTUR

CHAPTER I

PAN-GERMANISM AND THE ABSOLUTE STATE

When the war broke out, in 1914, only those Americans whose special interests involved a more or less careful study of Europe's political, economic, and social problems, were not taken by surprise. The rest of us were hopelessly perplexed. In our perplexity we permitted ourselves to be swayed by racial sympathies until the sinking of the *Lusitania* provided a hearing for our political philosophers. Their exposition of Prussianism then gave the mass of our people at least some inkling of one of the great issues that were being fought out in Europe. Followed the well-organized and highly effective propaganda, both direct and indirect, by the allied nations. What bade fair to be an intelligent evaluation of the conflict was transformed into an emotional and even passionate condemnation of Prussianism. We soon hated it like poison, and our hatred of it was righteous. However, it loomed up in the intellectual fog a misshapen, immoral monster, for which reason we hated it the more, but understood it the less. We went into the war morally incensed. But we cham-

AUTOCRATIZED KULTUR

pioned a principle which we did not truly understand, however keenly we appreciated it intuitively, and we pursued an objective which our judgment had not clearly envisaged, however intense was our emotional sympathy with it.

The armistice and the subsequent peace inevitably found us unprepared to play the same valiant and effective part in the settlement as in the last years of the war. The settlement was not final, and no settlement is likely to be in accordance with the dictates of reason, and therefore final, until we of the New World understand why we threw ourselves into the fray, why we fought on the side of the allies, and why we cannot stand aloof now. It is desirable, therefore, to reckon with the past, though in the briefest possible way, before we undertake to reckon with the present—with the problems of the peace and our indispensable participation in their solution.

What did we mean by "Prussianism"?

We meant first of all that conception of the state as a nation among other nations which was heralded abroad by a powerful clique in Germany organized as the *Alldeutscher Verband* (the Pan-German Union). Its original program (the Union was launched in 1891) stressed cultural ideas and ideals. But in a few short years the worship of Bismarckian policies gave prominence to the principle of might, and

PAN-GERMANISM

the creed of Pan-Germanism condensed itself, as early as 1908, in the following program:

First: All men and women of German blood throughout the world must be united in a Pan-Germany comprehensively and firmly organized (though not necessarily as a single nation), and having as its centre an enlarged, Middle-European, German state.

Secondly: This Pan-Germany is entitled to world dominion.

Through the parent society and through subsidiary societies, such as the *Allgemeiner Deutscher Lehrerverein* (General German Teachers' Association) and the *Verein für das Deutschtum im Ausland* (Society for the Advancement of Germanism in Foreign Countries), the Pan-Germans exerted a very sinister influence especially on the youth of the cultured middle-class. Those of us who understood the function exercised by this class in the evolution of German civilization, had good reason to feel apprehensive.

Pan-Germanism was not the professed creed of the representatives of culture, nor was it recognized officially in government circles as the (or even a possible) national policy. But it was a creed that under given conditions might very well constitute just such a rallying cry as *revanche* was in France or irredentism was in Italy. In the years immediately preceding the war it was under a cloud. Its wild and incredibly reckless imperialism was set

AUTOCRATIZED KULTUR

forth in the literature of the "Union," and was proclaimed by men of nation-wide repute. Had it been countenanced officially by the German government or had it been generally and frankly approved by the German people, somewhat as Americans affirmed the Monroe doctrine, the German nation would have been ostracized by the non-German nations of the world.

But even without official approval and popular acclaim Pan-Germanism was preached in a manner calculated to arouse the apprehensions of Germany's immediate neighbors. Ernst Hasse's *Deutsche Weltpolitik* (German World Policy), published in 1897, and J. L. Reimer's *Ein pangermanisches Deutschland* (A Pan-German Germany), published in 1905, were kindergarten primers compared with later publications. These went so far as to set forth in detail just what nations of Europe were to be merged into the new German state, just how the merger was to be effected, and just why the resulting subordination of the other great nations of Europe would be a blessing even to them. It may well be that the later extremists were right in their assertion that Pan-Germanism was in reality (though not yet consciously so) the driving motive toward German national unity and the most potent factor in the development and expansion of Germany's national industry and commerce. At any rate, the war exemplified, both in its inception and

PAN-GERMANISM

in its progress, the professed aims and the published plans of the Pan-German imperialists. Incredible as these seemed before the war, they became credible in the fall of 1914 and—we of the non-German world refused to be pan-germanized.

Pan-Germanism we could understand. The thing had, so to speak, hands and feet. It could strangle us and it could trample on us. It was a very concrete proposition. Then, too, we ourselves—meaning all those peoples who were not minded to submit to German pretensions—were not free from a similar infection. The *bacillus imperialis* was in our blood. The degree to which it had spread undoubtedly had not a little to do with the quickness and the intensity of our resentment. This admitted, the fact remains that the Germans had the infection in a malignant form. In Germany the *bacillus imperialis* operated in a more congenial culture than in the English-speaking world. This culture was also a thing we could understand, though we made some mistakes in our analysis of it. But before we undertake to discuss this analysis and to examine our mistakes, we must touch upon another matter.

Unluckily for the German people, and measurably so for the rest of us, German imperialism, otherwise known as Pan-Germanism, was no more and no less than Prussianism internationalized. It

AUTOCRATIZED KULTUR

was the Prussian idea of the state carried into Germany's relations with other nations.

Ideas, as such, do not greatly appeal to us Americans. We rather fight shy of them. We knew very little of the Prussian state as an idea, and really preferred to know nothing at all about it. We did think we knew a good deal about the German government, which by the way we mistook for the German state. That was one of our very great mistakes. It twisted our vision to such an extent that we could not see straight and cannot yet see without squinting. However, we are bravely overcoming the squint, and may now be able, especially with the rectifying glasses of very recent experience, to see not only the difference between the German state and the German government, but also the idea that was embodied in the old German state, namely, Prussian state absolutism. In passing we may as well remember that, though we did not understand this idea, we did have a vague kind of notion of its existence and of its nature. The notion, as such notions will, strengthened and finally quickened our blows.

We need not go far afield to establish the contention that the Prussian idea of the state was that of the *absolute* state. From the days of Frederick the Second, surnamed the Great, to the days of William

THE ABSOLUTE STATE

the Second, of whom the less said and written the better, the political dogma of Prussianism was state absolutism. Expounded philosophically by Hegel, nicknamed "the Prussian State Philosopher"; interpreted historically by von Sybel and Treitschke; and applied practically if not always scientifically by Bismarck—state absolutism captivated the minds, imprisoned the emotions, and dominated the wills of an ever-increasing number of Germans. The dogma deserves explanation.

As already indicated, state absolutism is not a form of government nor even a form of organized political life. It does, of course, determine the character and the scope of both. We have but to reflect that every form of government or political order known to men has at some period exemplified the absolute state, and at another period the reverse idea, namely the limited state.

The so-called democracies of ancient Greece were governed directly by their citizens. In form and organization they were pure democracies; yet they were glorified epitomes of state absolutism. No Athenian, say, at the time of Pericles, aspired to an individual personality. The state was his *ultima thule*. Read Pericles' great oration after the battle of Salamis, and you will be impressed with nothing more than with the absolute character of the state as an Athenian conceived it. From childhood to old age, in every aspect of his human existence, he

AUTOCRATIZED KULTUR

was absorbed by his state. It was his alpha and his omega, precisely as the Church may be, and sometimes is, the all-sufficient, all-embracing, all-informing reality for some Christians, rather decent and sane folk, in all other respects. Or, if we prefer an example nearer home, precisely as "the American Nation" enfolded each one of us at the height of our recent patriotic enthusiasm (to be sure, only temporarily) and left him no choice but to think and feel as a national individual.

The ancient Hebrews, too, conceived of their state as absolute. But their government, whether it was of judges, high priests, or kings, was not democratic even in the Athenian meaning of the word and certainly not in ours.

Then again in Sparta, that peppery little community of ancient Greece which became the beau ideal of many educated Germans in the last decades of the nineteenth century, state absolutism produced a military autocracy.

Conversely, the limited state is by no means inconsistent either with autocratic or with democratic forms of government. None of the Germanic tribes, including those we refer to as the Anglo-Saxons, dreamed of an absolute state. To them the Greek or the Hebrew idea was utterly foreign. In so far as they conceived of the state at all, it was an idea that related itself to the individual's life only in the mutual defense and offense of kith and kin. In

THE ABSOLUTE STATE

this one relationship of men to men they did appreciate the need of government, and in it, though the state was so limited as to approach non-existence, government was endowed with autocratic powers. In later days, when the *thing*, the *folkmoot*, or the *witenagemot* and other more or less popular forms of assemblage began to extend the authority of government, the autocratic powers of government were steadily diminished. The state was never conceived of as absolute. Nowhere in northern Europe, indeed, did the idea of the absolute state find lodgement until in modern times. It was not, nor is it really now in sane moments, compatible with the genius of the Germanic peoples.

In all likelihood, state absolutism was an oriental conception acclimated through oriental influences among the Mediterranean peoples. In no country of northern Europe could the preposterous conception of the Church as the absolute state spiritual and temporal have arisen. Germanic Europe fought that conception to the bitter end. But—and here history points a warning finger—in the fight against the oriental absolutism of the Christian Church Germanic Europe itself invoked the principle of state absolutism. To trace historically the spread of this principle would take us much too far afield. Suffice it to say that it was finally adopted and systematically exploited in Brandenburg-Prussia and, after 1870–71, in imperial Germany.

AUTOCRATIZED KULTUR

State absolutism was not embraced readily by the Germans. It is very doubtful whether its sway would have become quite as great as it unquestionably was in the last decade of the nineteenth and the first decade and a half of the twentieth century had not internal factors favored its adoption and been seriously aggravated by factors from without. The internal factors were the following.

The classical revival in the last quarter of the eighteenth century awakened in Germany a permanent interest in Greek culture and civilization, and tainted political speculation with the political absolutism of the ancient Greeks. Germany became the breeding place of autocratic nationalism, on the one hand, and of state socialism, its apparent (but only its apparent) antithesis, on the other. Early in the nineteenth century there followed the mediaeval revival with its romantic theory of imperialism. It harped on the imminence of the super-real state, and definitely transformed the state into a sacrosanct institution. The theory enmeshed a very considerable body of political thought as well as of creative literature in its scintillating net of realistic symbolism, and culminated in Hegel's, von Sybel's, and Treitschke's expositions of state absolutism.

But the classical and mediaeval revivals would not have sufficed to pervert the natural and healthy instincts of the German populace, had not other internal factors contributed to this end. Of these it

STATE ABSOLUTISM IN GERMANY

is possible to designate two as of paramount importance, namely, political and social disunion, and economic distress.

Political and social disunion manifested themselves in sectionalism and the class system. Both appeared paradoxical. Germans employed a common vernacular and they had come into the enjoyment of a common *schriftsprache*. The latter was the language of a common culture and this evidenced itself in literary creations that were admired in common by all German folk and were esteemed in foreign countries as German literature. Inevitably the longing for national unity was born.

But like so many popular longings, this, too, was unable of itself to overcome the traditional schisms. What was more natural than that those who felt it most keenly should have recourse to the theory of state absolutism in order to stiffen the resolve of lesser patriots? Surely we Americans ought to appreciate the logic of their action. We have an analogous process in our own country. Longing as many of us do for the emergence of a people out of an heterogeneous population, we harp on an idea that, improperly understood, is hardly less absolute than the Prussian idea of the state. Rightly understood, it is an idea we may well cherish. But so is the idea of the state. Understood as thousands, nay millions of Americans seem to understand it, *Americanism* may defeat its own ends. We mean well—of

AUTOCRATIZED KULTUR

that there can be no question. So did the Germans—according to their lights. They hymned the praises of the Prussian state. We hymn the praises of the American state. They regarded the Prussian state as a divinely ordained, immutable, and sacrosanct institution. We appear sometimes so to regard the American state. They planted their feet squarely on the Old Testament, and proclaimed themselves “the chosen people of the Lord.” In us, too, there is the feeling that we are a chosen people, though we refrain from Biblical allusions and doctrinal argument. They unfurled their imperial flag, and by its side they bore the sword of autocratic authority. We fling Old Glory to the winds and now by its side some of us would plant—‘the fiery cross.’

The Germans have a somewhat better excuse than we for their failure to perceive the viciousness of their doctrine of the state. They were confronted with real and increasing economic distress. In the main it was due to the rapid increase of the population and to a somewhat unfertile soil. Forced to rely, in ever larger measure, on imported foodstuffs, they could obtain them only by concentrating on industrial production. The life of the people depended on exports and on the continual increase of them. Exports emphasized the national character of industry, so that the whole problem seemed to point to national centralization. National central-

STATE ABSOLUTISM IN GERMANY

ization was, in its turn, the twin sister of state absolutism.

Any lingering doubts of the connection between Germany's economic problem and the popularization of state absolutism, should be dispelled by the reflection that we, too, are mixing up economics and politics. The case must, indeed, be an extreme one if we as much as hesitate to have recourse to the federal government, to the state governments, or to the municipal governments whenever the economic boot pinches a bit. Always avowing, but only sentimentally, the doctrine of the limited state, we continually repudiate this doctrine in practice, and frequently affirm the reverse in theory. Yet, compared with the German people's economic problem ours is child's play.

Now, despite the undeniable pressure exerted by the foregoing political, social, and economic factors within Germany, state absolutism could not have completely corrupted the mentality, not to say the sentimentality, of the German populace, had not certain powerful factors impinged from without. Three of these may be mentioned here. They were Germany's exposure to invasion; the effort of neighboring nations to prevent the evolution of German national unity; and the exclusion of Germany from overseas possessions coupled with the political rigidity of continental frontiers.

AUTOCRATIZED KULTUR

As regards the first factor, history revealed to the Germans the danger of their position. Barring the campaigns waged in pursuance of Bismarck's policy, the wars in which the German people engaged with their neighbors were not wars of conquest. The story might have been different had the Germans become a nation at as early a date as the French. The conquests of Frederick the Great were not subjugations of foreign peoples. They were conquests of Germans by Germans, incidentally involving the partition of foreign territory (Poland) as territory belonging, in part, to another German state (Austria). Not until the Prussian idea of the state dominated and united central Europe through the German Empire and its alliance with the dual empire, can one speak of the German menace. The boot was on the other foot. During the Seven Years' War and, in the previous century, during the Thirty Years' War and then again, in the nineteenth century, during the Napoleonic Wars, German territory was the camping ground of neighboring nations. The Palatinate was ravaged by French soldiery quite as ruthlessly as Belgium or Northern France was ravaged by German troops. It is ridiculous to speak of Germany as the ancient foe of France. The reverse comes much nearer to the truth.

In respect to the second factor, diplomatic history tells very plainly and unequivocally the story of the obstacles put in the way of German national

STATE ABSOLUTISM IN GERMANY

unity by neighboring nations. It is quite sufficient to point to Metternich's intrigues and to those of the French court.

The third factor, namely, the exclusion of Germany from overseas possessions and profitable colonization, was really the natural consequence of the German people's late entrance into the family of nations or, if the term be preferred, the order of world powers. Bismarck's opposition to colonial expansion and the German people's indifference were intelligible under the circumstances. But as the economic pressure increased, opposition waned and indifference vanished. The richest territories had been annexed as colonies by other world powers, or had become part of their huge domain. Vast areas were also parcelled out among peoples who appeared not to need them, or, if they did, to utilize them improperly, and who yet held them securely against Germany's greater need and ability, under the protection of the Monroe doctrine. Natural though the exclusion was, it was painful. It was the more painful because Germany's national expansion within Europe stubbed its toes at every turn against the frontiers of other nations. The psychology of the whole situation finally expressed itself in a conviction which few Germans could escape and which finally became an obsession. They spoke of the *einkreisungspolitik* of the great powers, implying that these had conceived and were deliberately pursuing the policy of encirc-

AUTOCRATIZED KULTUR

ling Germany in order to strangle the lusty young nation.

It need hardly be stated that none of the three external factors are mentioned here for the purpose of palliating the action of the German government in 1914. They are mentioned solely for the purpose of explaining the rapid spread of a doctrine of state that was no more in keeping with the political instincts of the Germans than it was in keeping with the political instincts of racially related peoples.

CHAPTER II

KULTUR

No wordplay was intended when the word "culture" slipped from the writer's mind in the previous reference to the immediate environment of the German *bacillus imperialis*. He was employing bacteriological analogies, and was not thinking of the important part played by the German word "kultur" and its incorrect English translation in our American war psychosis. In the use we made of the word we took a rather unfair advantage of the Germans, but they invited us to do so. Whether it was the kind of advantage a people laying proud claim to fair play betwixt friend and foe, should have taken of the German people is another question. Perhaps we are paying for it now. There is much, very much in German culture by which we might profit individually and collectively, and we have deliberately excluded ourselves from its benefits by the silly prejudices which we allowed ourselves to cultivate during the war and which now come home to plague us in the days of peace.

The culture in which Pan-Germanism sent out its countless spores was German kultur. One seeks in

AUTOCRATIZED KULTUR

vain for an equivalent word in the English language. The nearest we can get to it in our speech is "civilization," yet "civilization" has a connotation at once too broad and too narrow. When Germans spoke of their kultur and its advancement they were, it must be confessed, just about as clear in their minds concerning its meaning as we are when we speak of Americanism and Americanization. It is not at all unlikely, therefore, that the following observations on German kultur will seem quite as inadequate to a German as the definitions we hear of Americanism are unsatisfactory to us. But apart from their inadequacy and partiality, for which an American may well be pardoned, our observations cannot and should not reckon with the variableness of German kultur. Variable it was, as every kultur must be if it is not to become a curse. Unhappily—and this is the point—Germans attempted to make theirs constant, enthroning it and writing over the throne thereof: "With whom there is no variableness, neither shadow of turning." Our concern is with German kultur in its rigid posture. Our German friends will tell us that this was not their kultur-dynamic, and they will be quite right in so declaring. On the other hand, we shall be no less right if we reply: the mischief was done by your enthroned kultur.

At the outset it were just as well to remind ourselves that kultur is never the sum of its elements.

KULTUR

These always interact on and interpenetrate each other like the elements of a chemical compound. Therefore, in breaking down, as we are about to do, the recent kultur of the Germans into its elements, we should not lose sight of the fact that these elements acted very differently in their kultur-compound from the way in which they act separately or in another combination.

In the last quarter of the eighteenth and the first three quarters of the nineteenth century German kultur was sluggish, ponderous, and settled down like a suffocating gas on the ordinary or common intercourse of men. It forced the lovers of freedom to take refuge in the realms of pure culture, and here they produced, unhappily out of touch with the vulgar realities of social living, speculative realities of their own. But in the last quarter of the nineteenth and the first decade and a half of the twentieth century German kultur was volatile, and diffused itself through the entire social, political, and economic atmosphere. It acted like a deadly poison on the aspirations of freemen. The few who sought to preserve their freedom became morbid and their ideals took on the character of hallucinations.

Kultur, wherever found, is both a system and a form of orderly living.

Regarded as a system German kultur was a compound of social subserviency, political subordination, and economic effectiveness. None of these ele-

AUTOCRATIZED KULTUR

ments is in itself inconsistent with the kind of kultur we Americans prefer. Properly understood and properly proportioned each is essential to democratic kultur. In German kultur they were stressed, unduly stressed at the expense of countervailing or corrective principles. Being so stressed they inevitably produced their corollaries in social arrogance, political overlordliness, and the economic mechanization of human energies.

The system of kultur was established in social, political, and economic forms that corresponded to it. Society was organized in four classes, namely, nobility, middle class, peasantry, and labor. Political organization was effected through constitutionalized autocracies monarchically federated. Economic organization culminated in the centralization of the control of industrial production in the hands of the *unternehmer* (promoters, capitalists) through cartels, trusts, syndicates, concerns, and especially the great chambers of industry, commerce, and agriculture.

This was the system and form of German kultur in its most characteristic outlines. We cannot trace them here in all their special ramifications, but a brief description of the chief outlines is desirable.

One might suppose that the industrial revolution, so-called, which reached its climax in the second half of the last century, would have overthrown in Ger-

SOCIAL KULTUR

many the historical order of society. The factory system brought into existence a huge body of industrial workers, much larger in proportion to the total population than in America or France or even the United Kingdom. But instead of making an end of the three existing orders of society, namely, nobility, burghers, and peasantry, it merely degraded them to the status of social classes by depriving the historical estates of their traditional functions and reducing them to purposeless groups.

There was a time in German history when the peasantry, the burghers, and the nobility were co-ordinate bodies of society, each with its distinct and direct relation to the community as a whole and each proud and jealous of its peculiar prerogatives. In the Thirty Years' War German society disintegrated. The old system and form were supplanted, in the course of time, by the Brandenburg-Prussian system and form. The royal master became the chief flunkey and the nobility, graded downward from the royal princes to the landed squires or junkers, were the subservient flunkeys. Flunkeydom was hereditary, and in flunkeydom society was merged. It was really the only thing that counted. Peasants and burghers were not of society. They were mere classes of the population, hereditary by tradition or custom. They preserved and, for want of a fitting *raison d'être*, they even extended social stratification within their own ranks. Had the poet patriot Arndt

AUTOCRATIZED KULTUR

succeeded in his attempted revival of the ancient order of estates (in the years of hopeless reconstruction following the Napoleonic wars), the destiny of Germany might have taken a less tragic course than it did. He failed and the industrial revolution caught Germany with its three social classes. Then, itself cringing before the mighty system of subserviency, it established its own class—labor.

Far worse than this perpetuation and enlargement of the class system was the increasing degradation of the classes. The old keynote of class consciousness was service. The new keynote was servility. Every German, whether he belonged to the nobility, to the middle class (futile successor of the burgher class), to the peasantry, or to labor, humbled himself automatically before his social superiors in his own class and in the other classes. By the same token he was arrogant toward his social inferiors. Servility, on the one hand, and arrogance, on the other, but both as self-evident and normal forms of conduct and habitudes of mind, became sadly characteristic of Germany's social kultur in the closing years of the nineteenth century, so much so that scarcely a German was conscious either of his servility or his arrogance. That a change, in many respects for the better, was wrought by the increasing power of the working classes and their gradual realization of the function of labor, it were foolish to deny. But, on the whole, kultur was modified only

POLITICAL KULTUR

slightly for the better in its social aspects, while it was intensified for the worse in its political and economic pretensions.

The story of the German people's political struggle for democratic government is a tragic one. Early in the nineteenth century, when the ruling princes needed the whole-hearted support of the people in order to free themselves from Napoleonic dictation, they promised their several subjects constitutional government. The promise was cancelled at the Congress of Vienna (1814-15). Thereafter it was evaded persistently. It is true that constitutions were granted in later years in order to head off popular agitation, but they served to perpetuate dynastic sovereignty by cloaking it in democratic forms. The revolution of 1848 achieved nothing. The servile masses of the population could not be roused. They remained lethargic; brought the principle of popular sovereignty into disrepute; encouraged the reactionaries to aggressive action; and permitted the constitutional enthronement of autocracy over legislative chambers. Once more sovereigns posed confidently as the anointed of the Lord.

When Bismarck established the German Empire and caused its constitution to be adopted by the sovereign princes of the German lands, he called into being only a pseudo-federation of states. He federated sovereign rulers and not sovereign peoples. The

AUTOCRATIZED KULTUR

bundesrat, through and in which the federation was accomplished, was a plural and an impersonal sovereign, but it was the theoretical sovereign of the empire. It was composed of the personal representatives of the reigning princes, who acted only on instructions from their sovereigns and voted (according to the unit rule) precisely as they were instructed to vote. The nearest analogy to the bundesrat that exists today is the Council of the League of Nations.

Simultaneously, however, Bismarck created an hereditary German emperor. The emperor it was who appointed the imperial chancellor regardless of princes or reichstag, and to whom the chancellor was solely responsible. The latter was president of the bundesrat, and was able to control all bills the bundesrat might desire to submit to the reichstag. He did this in much the same fashion as the Speaker of the House of Representatives at Washington once controlled all proposed legislation. No bill had any chance of coming before the bundesrat (let alone the reichstag) for discussion and passage unless it conformed to the chancellor's wishes and suited his convenience. Moreover, in practice the chancellor was also minister president of Prussia, and in this capacity he was responsible only to the king of Prussia, and the king of Prussia was the constitutional and hereditary German emperor. It was an exceedingly canny device intended, in the course of time and by the force of practical politics, to reduce the

POLITICAL KULTUR

bundesrat to an advisory body and to transform its theoretical and impersonal sovereignty into a very real and personal sovereignty of the emperor. William II's multitudinous and platitudinous references to "the grace of God" were quite in keeping with this design, so that the German people themselves, and not only foreign peoples, were gradually hoodwinked into the belief that the German emperor was invested with sovereign authority.

Given an imperial federation of this character, Bismarck risked very little when he provided for a popular legislative chamber in the reichstag. He saw to it that the reichstag should not be very much more than a debating society, and accounted it an institution where popular passions might blow off steam without danger or discomfiture to the divinely ordained masters of the people.

Unlike the lower house of the Prussian diet, the reichstag was a genuinely popular assembly. Its membership was elected by universal direct manhood suffrage and the secret ballot. The vicious three-class system (the classes being determined in this case by the tax lists) which prevailed in the Prussian elections, was done away with in the election of members of the reichstag. Representation was apportioned, as it is in our own federal House, among the several states according to their respective populations. Each state was entitled to at least one representative though its population was less than

AUTOCRATIZED KULTUR

the minimum number of inhabitants required for a representative district (100,000). Unhappily, those in power were always able to prevent the redistribution of the seats in the reichstag.

Nevertheless Germany had no parliament in any true sense of the word. While the reichstag did possess the powers of a popular parliament constitutionally organized, even to the powers of making war and declaring peace, it lacked the powers of initiating legislation and of preventing legislation that the Government desired adopted. All bills came down to it from the bundesrat in the form agreeable to the chancellor, and we have seen what this implied. Moreover, if the reichstag refused to pass a bill proposed by the Government or to pass it in the form approved by the Government, it could be dissolved, a new election ordered, and this proceeding could be repeated indefinitely until the chancellor obtained an amenable and docile chamber.

Now, despite what has been said heretofore, it would be extremely foolish to assert that the reichstag served merely as a rubber stamp. In the first place, you cannot safely dissolve a popular assembly, even if you are a Bismarck, every time it refuses to dot an "i" in your legislative program. You cannot so dissolve it every time it insists on a serious modification of a bill you regard as important. You can safely dissolve it only when it clashes outright with vital policies. In the second place, the German

POLITICAL KULTUR

reichstag was bound to follow in the footsteps of all similar bodies, and to assume those powers which are inherent in parliamentary bodies. Bismarck discovered, some years before his retirement, that the reichstag was becoming something more than a debating society and was evolving into a committee of the whole. Under subsequent chancellors the reichstag showed signs of asserting the prerogative of other parliamentary bodies of Europe by questioning the chancellor's independence of it and raising the problem of a ministry responsible to it instead of to the emperor. In 1907-8 the reichstag even ventured to talk about its constitutional right to pass on the fitness of the "All-Highest" as German emperor. Though it sanctioned nearly all Government proposals, yet it did so with increasing reluctance and more frequent questionings and amendments. It was in a fair way to have a judgment and a will of its own.

Unhappily progressive evolution was pitifully slow, and was overtaken by the course of events. A society that is systematically servile does not tend to make political subordination unfashionable. Germany's social kultur did not do so in the case of social democracy. If anything social democracy outstripped the ruling classes of Germany in its application of the doctrine of state absolutism. It did not threaten state absolutism, it merely threatened its dynastic Prussian form. Proposing to bring all

AUTOCRATIZED KULTUR

the functions of community life, social as well as economic, under the people's control, it sent tremors of apprehension up and down the spine of the ruling classes of the established social, economic, and political order. It was branded as treason. Yet it was nothing more than the logical fulfilment of the doctrine of the absolute state. Therefore, when the elections of 1912 gave the social democratic party a representation in the reichstag far in excess of any other party, essentially nothing was changed in Germany's political kultur. We should have known better than to expect a change. In 1914, the great majority of the party's representatives in the reichstag voted to sustain the Government's war policy.

A change, however, did take place in political kultur before 1912. In the several states and in the empire monarchical rule was gradually submerged in oligarchical rule. The reins of political government were gently wrested from the sovereign princes, and taken possession of by three powerful cliques, the junkers, the military, and the great industrialists. Especially was this true in Prussia and, indirectly, in the empire. No commentary on the power of the agrarian nobility and the military overlords of Germany is required here. Our general estimate was correct and, in view of the fact that we have nothing analogous to it in our own country, specific comment can serve no good purpose at a time when both groups have been deprived of their power in Ger-

ECONOMIC KULTUR

many. The power of the German industrialists was, however, a more or less unknown quantity, and since that power involved an economic theory with which we Americans are obliged to reckon, an analysis of it is called for. In making this we shall also be setting forth the chief characteristics of Germany's economic kultur.

Long before the outbreak of the war, industry was the prime and the all-important factor in the German people's material progress, indeed, in their economic existence. A few statistics will explain the statement.

The number of strictly industrial workers in Germany was, in 1882, six million, or 13 per cent of the population, in 1913, over thirteen million, or 20 per cent of the population.

The number of industrial plants employing over fifty hands was, in 1882, slightly less than ten thousand; and in 1913, somewhat more than thirty three thousand.

German exports, almost entirely industrial (if we include coal and coke) were valued in 1882, at 3,244,121,000 marks; in 1913, at 10,994,000,000 marks. This notable expansion of German industry was made possible through the huge deposits of coal and iron.

Of Europe's known and exploited coal reserves (excluding lignite) Germany possessed, in 1912, over 55

AUTOCRATIZED KULTUR

per cent (according to more recent estimates, 59.1 per cent); Great Britain, 25.6 per cent; and France, approximately, 2 per cent. Including the iron ore deposits of Luxemburg, which belonged to the German Customs Union, Germany's known and exploited iron ore reserves, in 1912, were 33 per cent of the known and exploited European reserves; Great Britain's, 10.8 per cent; and France's, 27.4 per cent. While the iron ore of all three countries was not of the highest grade and large quantities of high grade ore were required from Spain and from Norway and Sweden, Germany availed herself more expeditiously and more efficiently than either France or Great Britain of the so-called Thomas process, and expanded her industries with extraordinary rapidity and thoroughness along the lines of her two great natural resources. She quickly distanced France both as an industrial and a commercial nation, and became Great Britain's closest European competitor.

Neither France nor Great Britain seems to have taken Germany's industrial expansion seriously until the mischief—if mischief we choose to call it—was done. There were reasons for this indifference.

France's soil was fertile; her population, fairly stationary in numbers; her populace, largely agrarian, well-to-do, and disinclined to the kind of arduous toil required in the mining of coal and in the iron and steel industry. Moreover, French coal mines were not capable of producing coking coal in huge

ECONOMIC KULTUR

quantities. The German mines could produce almost unlimited quantities. Preferring those industries that engaged the aesthetic tastes and called for the exercise of refinement in craft, the French failed to organize those other industries that involved directly and extensively the exploitation of their coal and iron reserves. Nor was there any apparently pressing reason for extensive ventures in a somewhat distasteful field.

The British, on the other hand, neither had the French preference for the refined industries nor lacked the ability to organize their iron and steel industry on a new and highly productive basis. But the trend of British industry was commercial; and though the United Kingdom was by no means productively self-supporting, there seemed no good reason for departing from a policy that had enriched the country. As the world's greatest merchant Great Britain saw its destiny in the expansion of those industries that were closely allied with this its historic calling, namely, banking and shipping. As long as Great Britain controlled the Seven Seas and the great marts of the world, bringing to these the surplus products of Europe and to the European market the surplus products of the rest of the world, just so long Britain's chief ambition was satisfied. When, therefore, the wheels of industry began to hum in Germany in ever greater number and with continually increasing speed, Britain, also, took small note

AUTOCRATIZED KULTUR

of the eventual consequences. Instead she counted on the increased dividends that must accrue to her as the world's greatest merchant through the expansion of German industry. For Britain it simply meant more trade; at least, this was the assumption. It was British capital that financed to a very considerable extent (the highest estimate is 60 per cent) the enormous industrial expansion that went on in Germany during the first ten years of the present century, especially in northern and central Germany.

The result of this indifference, in both France and England, was a free field for Germany, and Germany took full advantage of it.

Germany not only had the basic raw materials in abundance; she also had just the kind of labor required for their exploitation and she had it in great numbers. Cheap labor was, in addition, available in Poland and the Balkan states. She had her own skilled workers and her highly trained technicians, and she had sense enough to learn of other countries where the iron and steel industry was already being conducted on a large scale.

Two other factors, not present in France and England, urged her on, her great need and her peculiar kultur (as thus far described).

The knife was at her throat. The rapidly increasing population could not be properly fed, decently housed, and comfortably clothed on the products of the land, and the surplus production of the country

ECONOMIC KULTUR

along industrial lines was wholly insufficient to balance imports. In consequence hundreds of thousands of Germans were emigrating annually. Birth-control being at that time either unheard of in Germany or morally, religiously, and also politically taboo, the logical solution of the problem was industrial production at a rate sufficiently great to throw off an increasing annual surplus for export.

Germany's social and political kultur made it possible to organize industry in a fashion quite unknown to the modern world. On the human side of industry, energies were coördinated on mechanical principles. Human beings were treated as though they were flywheels, cogwheels, pistons, belting, boilers, and even the living fuel in a vast machine. We have little to brag of in this respect in our American industrial system, but the Germans systematized in a manner that turned their industrial machine into a veritable Frankenstein. As a Frankenstein it finally ruled its manipulators and owners, and left them a soul the God of which was—not money, not even power, but the perfection of production. In a way one can admire their ideal, but only as a material ideal subordinated to, or at least tempered by, ethical ideals. In Germany the perfection of (industrial) production was the supreme ideal of economic kultur.

The foregoing analysis of Germany's economic

AUTOCRATIZED KULTUR

kultur is as partial and as incomplete as were the preceding analyses of Germany's political and social kultur. The object has been to point out as definitely as possible those features of German kultur that were most objectionable to the non-German world, especially to Americans. We are interested in the kind of kultur that brought tragedy upon the German people. We are also interested in the kind of kultur that is evolving in Germany now. It will not be an imposed kultur. For when a people has discovered itself it fashions its own kultur. The old kultur was imposed, and though it had many admirable features that were genuinely characteristic of the people's aspirations, they did not count when the great test came. These we overlooked or undervalued and they are treated as negligible for our present purpose.

I do not believe that we were unfair in judging German kultur solely by its objectionable features, but we were unfair in assuming that the Germans chose their kultur, especially their economic kultur, deliberately and in reckless disregard of other people's welfare. No doubt appearances were against the Germans. So have appearances sometimes been against the Americans. There are many things about our American kultur that are not our deliberate choice, but that we put up with. Like the Germans we are a bit pharisaical about it.

It is not to our credit that our political adminis-

KULTUR IN AMERICA

tration is inefficient. We are too inert to strive for democratic efficiency. We are so inert that we are not wholly immune to servility. Our muck-rakers had a wonderful time poking around our economic basement. Granted that there is servility and arrogance in abundance, we have not reached the point where the instinct of manhood is overborne. The Germans reached that point long before the war and they had their material rewards. These we envied them, but we remained too lethargic to win similar rewards in the only way possible to Americans. Democratic efficiency required too much forethought. It also required some readjustment of our institutional life. We could not be bothered. Besides, our institutions were, one and all, hallowed. To touch them were sacrilege.

Comparisons are always odious and sometimes odoriferous. Unpleasant as the task may be to point out things that were and are wrong with us, a real understanding of Germany's economic kultur calls for some brief comparisons.

We are fairly well familiar with the saying "trade follows the flag." As well as any phrase it sums up the theory that a people's economic interests are national. The theory has had its peculiar attraction for Americans, and not without good reason. Sometimes the attraction amounted to infatuation, at other times we have coolly disregarded it. In holding to the theory of economic nationalism we have

AUTOCRATIZED KULTUR

not been as consistent as the Germans. As a rule we have backed away whenever its pernicious nature became quite evident. That we have held it and still hold it, is a statement hardly susceptible of argument the moment "our" interests in the Far East are under discussion; or when we review the history of the Panama Canal and free tolls for United States shipping; or think of Mexico and "American" concessions in Mexico; or refer to "our" merchant fleet and the necessity of a ship-subsidy; or demand a protective tariff for "our" industries. We may be of two minds as to these problems. It is not a question here whether we approve or condemn any particular policy. The question of paramount importance is simply whether or not we are enmeshed in the theory of economic nationalism. To this question there can be but the one answer: We most certainly are.

Of course, the implication is that our national economic policies are no better than were Germany's. Millions will rise up in righteous indignation, and protest vehemently. They will be justified in so far as few Americans comprehend the nature of these policies and are unaware of their ultimate consequences, whereas both the nature and the consequences of the national economic policies pursued by Germany were fairly well understood by millions of Germans. With due regard for this difference we should, as fair-minded Americans, be willing to call

NATIONALIZED ECONOMICS

a policy by the same name and estimate its character in the same terms when we discover it in our own country as when we discover it in some other country.

Coming now to the national character of Germany's economic kultur, we shall not find it so very different from our own. What differentiated the two kulturs was the inordinate preponderance of nationalism in the German article. Prior to the war the reasons for this were somewhat obscured to us. They are well worth taking note of now.

There is such a thing as racial unity. It manifests itself in the social kultur of the white race, of the black race, of the yellow race. Each race's social kultur has variations of its own and they determine very largely the variations in its political kultur. By the latter they, in turn, are thrown into strong relief. Eventually the common social kultur-background is obscured. More plainly than the history of other peoples, that of the European peoples tells us the story of superficial social differentiations and their transformation into incompatible social antagonisms.

Of all European peoples the Germans were perhaps most susceptible to internal racio-social variations, and certainly no people of Europe demarked these variations so sharply through political organization as did the Germans. Antagonisms were

AUTOCRATIZED KULTUR

engendered in Europe that became the curse of Europe, and special antagonisms in Germany that were Germany's particular curse.

Americans can appreciate this state of affairs only with the greatest difficulty, and then only in part. The broad vision of the men who conceived of the Union; who saw it in their mind's eye stretching from ocean to ocean, from lakes to gulf; and were determined to maintain it at all hazards and at any cost, spared us the fate that is Europe's or Germany's. East and West, North and South, each section has its peculiar social kultur, but in North and South and East and West differentiations of social kultur have not been demarked politically and their common social kultur has not been obscured. It is this unitary character of our American social and political kultur that continually tempts us to disregard the essential difference between socio-political kultur and economic kultur. For the latter is fundamentally monistic, the former pluralistic. Economic law is in its essence non-racial, non-social, and non-political. It is, therefore, also non-national. Our own history, as just suggested, does not emphasize the difference between economic law and socio-political law. Nevertheless the difference exists, and is peculiarly noticeable in the evolution of German kultur. We can grasp its significance without much difficulty if we note one of the nationalistic phases in the development of German industry.

NATIONALIZED ECONOMICS

In the absence of any serious competition on the part of neighboring peoples, German industry obeyed the economic law and expanded regardless of socio-political frontiers. In so expanding it remained economically unified. From northwest Germany, through middle Germany, to southwest Germany it stretched in an unbroken chain following the lines of the country's natural resources. Mr. Stinnes' *Rhein-Elbe Union* was but one of the many conscious recognitions of the law of economic unity. In its expansion German industry disregarded, however, more than Germany's internal socio-political schisms. It disregarded the socio-political schisms of the European continent, as well. It disregarded them in the west and in the east. It passed the national frontiers of Russia and Poland, and those of Luxemburg, Belgium, and France. *Deutsch-Luxemburg* was an outstanding example of an industrial enterprise that took little if any account of socio-political variations. Here, in the northwestern corner of continental Europe the two great principles, that of socio-political differentiation and that of economic unity, clashed violently.

Roughly speaking, the district in question includes the areas denominated politically as Rhenish-Westphalia, Luxemburg, Belgium, Alsace-Lorraine, and northern France (north of the Marne-Seine line). Before the era of nation-building it twice achieved a distinct and common kultur, first in the twelfth and

AUTOCRATIZED KULTUR

thirteenth centuries (Gothic) and then in the fifteenth and sixteenth centuries (Flemish). As a result of superimposed political partitions, the common kultur-characteristics of the district were gradually submerged and each separate section evolved its peculiar social kultur. The more or less differentiated kulturs then became fixed and mutually exclusive as the nationalistic spirit triumphed in the nineteenth century.

The Rhenish-Westphalian region was annexed to Prussia in 1815 (Congress of Vienna), but it clung the more stubbornly to its characteristic social kultur since the political bond that bound it to Prussia did not become really effective until Bismarck's day. So well defined did this kultur continue to be, even after the unification of the German states (1870-71), and so marked was the aversion, if not the resentment, of the inhabitants against socio-political kultur-domination by Berlin-Prussia, that many French politicians believed (and apparently still believe) in the possibility of establishing an autonomous Rhenish Republic politically federated with the republic to the west rather than with the German Empire. That was and is a serious error of judgment. It is mentioned here to bring out a little more clearly the difference between the socio-political law of unity and the economic law of unity.

The northwestern district of continental Europe contained the major portion of the great coal and iron

NATIONALIZED ECONOMICS

reserves, heretofore spoken of. The richest coal beds were in the Ruhr and Saar basins, and the most important iron deposits in Luxemburg and Lorraine. Once these natural resources were intensively developed and industrially exploited, the economic unification of the entire district became a foregone conclusion.

Now, considering the tremendous handicap under which the early failure of both France and Great Britain to develop and exploit their own coal and iron resources placed these two countries, we can understand what was bound to happen. Ruhr and Saar coal, and Lorraine and Luxemburg iron became the mighty magnet that attracted to it the industrial life of northwest Europe. To organize this corner of the continent in keeping with its economic interests, became the dream of German industrialists. It was by no means a reprehensible ambition. On the contrary it was one of those dreams of practical men that have always been so many rungs in the ladder of civilization. But as dreams sometimes will, this dream, too, took an irrational twist.

The entire northwest industrial district of continental Europe has an area not much larger than our central coal and iron district, and vastly smaller than the areas organized by our oil industry. Like the latter, however, it was controlled (and still is) by different nations. Naturally, inevitably, and without sinister intent, it happened that Rhenish-

AUTOCRATIZED KULTUR

Westphalia, Luxemburg, Belgium, Lorraine, and northern France as far as the English Channel grew into a great industrial complex under German leadership and German industrial (not political) control. In the creation of this economic domain Germany's captains of industry proved themselves veritable strategists of industry. Barring, of course, the mechanical methods of internal organization heretofore referred to, one cannot have anything but admiration for their energy and their ability as organizers and for their economic ideal. Names such as Krupp, Thyssen, Haniel, Stinnes, Funke, Stumm, and many others, might now be luminous in the history of European civilization had not German industry been "kultured."

To unify and, where unification was inexpedient, to balance and federate the industrial units of the whole district for the sake of productive efficiency, was no mean undertaking; but to attempt it through the mechanical methods of political autocracy was a tragic mistake. Given a doctrine of the state under which governments are presumed to be the creators of political unity, and given a government that appears to justify the doctrine, the mistake is explicable. It is not explicable when the theories of political and economic unity clash as they do in America. Americans have, indeed, thus far been saved from the German folly. We are committing other follies of our own, due to the fact that we have

NATIONALIZED ECONOMICS

not yet learned that economic unity can no more be created by economic organization than political unity by political governments. Under the ægis of autocracy the parallelism of political and economic organization proved disastrous in Germany.

It is only fair to infer that the deductions drawn in Germany from the economic situation in north-western Europe might not have taken a politically menacing turn, had not the supervision and control of economic evolution been taken over everywhere, in America as well as in Europe, by political government. This unquestionable tendency of modern political practice seriously complicated the problem of the economic unification of the Rhenish-Westphalian-Luxemburg-Lorraine-Belgian-French district. There the great industrial district lay, capable of producing in rich abundance under a unified system of *economic* control; and systematic unification was quite impossible as long as its economic destiny was politically controlled by four different sovereign states. Within the German section economic organization was on all fours with the demands of political sovereignty. In all other sections economic organization (which it must be remembered was German in its source and its character) was subordinate to a political dictation that often was inconsistent with German methods. To desire the political unification of the various sections as a seemingly necessary step toward their complete economic unification was not

AUTOCRATIZED KULTUR

illogical, therefore, provided we accept the theory of the absolute state. Of course, this meant the incorporation of the non-German sections in the body politic of the German Empire.

It is not necessary to assume that the great German industrialists deliberately set the politico-military machinery of their nation to work in order to gratify this desire. But it is easy to see why, when war was imminent, they did not range themselves on the side of peace. War promised the realization of a great dream through the political consolidation of one of the greatest industrial districts of the world. War's tragic price was great, but not too great if it assured the peaceful blessings of industrial efficiency.

If we turn now for a moment to the southeastern extremity of Germany, we discover in Upper Silesia another centre of industrial expansion which likewise disregarded national frontiers and stretched not only into the domain of Austria-Hungary, and beyond this into the Balkan states, but also into Poland and southern Russia. Here, too, efficient economic organization appeared possible only on the basis of political consolidation.

To these two problems, the one in the northwest and the other in the southeast, we must add the greater problem (of which they were a part) of the unification of German industry as a whole and as a national issue. Perhaps we can now understand

NATIONALIZED ECONOMICS

how that tragic aspiration was born which, in the years of its maturity, prevented the peaceful adjustment of the European antagonisms. It was cradled in state absolutism; nurtured on the milk of servility and arrogance; and hardening its muscles in the exercise of subordination and overlordliness, it finally snatched at the torch of Pan-Germanism, and flung it into the combustible material that social antagonisms saturated with egotistical nationalism had heaped up during the centuries.

Europe burst into flame.

CHAPTER III

BUREAUCRACY AND MILITARISM

The tragic consequences of cultured economics contain lessons which, it is to be feared, we are not reading right. Driven back into our nationalistic shell by the political quarrels still going on in Europe, we argue as follows:

Since political and economic unity are merely two related phases of national life, they must be organized nationally. Since, however, national political unity cannot be extended arbitrarily without violating the doctrine of democratic nationalism, it follows that the national organization of economic unity cannot be made coterminous with economic areas. We restrict it, therefore, to national boundaries. In so arguing we necessarily sacrifice the law of economic unity to the law of political unity.

It will be observed, at once, that the Germans accepted the first of our present propositions and rejected the second. They have now accepted the second, and rejected the first. Under their former conception of the state as absolute and in agreement with their doctrine of autocratic government, it was

BUREAUCRACY

possible for them to argue logically in favor of unified economic and political control. Under their new conception of the state as limited and in accord with the doctrine of democratic government, they can not do so. They had the option of following our example and subordinating the law of economic unity to that of political unity, or of continuing to recognize the equipollence of both laws and seeking for a new solution of the problem. They chose the latter. Their present argument runs as follows:

Since political and economic unity are not parallel or even convergent unities, but mutually independent unities inter-related only as phases of a conceivable solidarity of the human race, they cannot be conjoined in nationality, and the attempt to organize them in compliance with the law of political unity is not only futile but harmful. Moreover, since each unity evolves according to its own inherent and discrete law and since, if the principle of democracy be valid, the law of neither ought to determine the organization of the other, the logical deduction is that the organization of economic unity should be carried on irrespective of national boundaries and, of course, regardless of political realities.

Here is a problem of major importance which we entirely neglect and which the Germans are forced to reckon with. Naturally the tragic situation in which they were placed by the terms of the treaty of Versailles, and the involutions of Europe's po-

AUTOCRATIZED KULTUR

litical and industrial areas, have emphasized the problem in a way in which it is not emphasized in the minds of Americans. It is, in another sphere, the same problem that confronted the allied statesmen at Paris when they undertook to apply the doctrine of so-called self-determination. In this instance, the laws of social and of political unity were in conflict, and in no single case has the solution that was reached, proved satisfactory, for the simple reason that political organization was imposed on social organization. Some day the logic of the whole situation will bring Europe to the further understanding that social and political unity are as distinct as economic and political unity. Meanwhile, Germany's economic plight brings to the fore the latter distinction, the more so since it was totally obscured in pre-war days by two special attributes of German kultur, namely, bureaucracy and militarism.

The German words *bürokratie* and *militarismus* are not identical with our English words in meaning. *Bürokratie* more nearly conveys the meaning of "bureaucracy" than *militarismus* that of "militarism."

Bureaucracy is not, as is sometimes erroneously assumed, the system of organizing government by bureaus. It is the system of ruling by officials. The organization of government by bureaus is not vicious in itself; but it inevitably develops into

BUREAUCRACY

bureaucracy wherever and whenever the duties of government exceed the proper functions of government. This is the case to-day in all countries. Political government has everywhere been extended into the domains of social and of economic government.

It is a long time since Americans having to deal with the federal government could refrain from venting their irritation over the red-tape of Washington officialdom in straight and unhybridized English. No one has suggested or even ventured to suggest a reduction of the functions of political government. On the contrary, new extensions of its functions are continually proposed. In the course of time we adopted the German system of a civil service, and like faithful Americans we put our trust in a mere device, calling it civil service reform. Of course, a reform of this kind was a mere alleviation, not a cure. It is not possible to standardize the activities of any single group of Americans, be they government servants or members of labor unions, without incurring one of two penalties, if not both. Either we arouse the instinctive resentment of free-men, and achieve inertia; or we infect the whole community with the poison of autocracy and impair its political or its social health, as the case may be. Washington officialdom is fearfully and wonderfully blessed with mental and moral inertia. We can only pray that it be confined to officialdom and that our

AUTOCRATIZED KULTUR

people may not suffer the fate of the German people.

German bureaucrats, though in no true sense of the word efficient, were not ineffective as ours are. When a people succumbs to bureaucracy, as did the German people, the result is standardization of mental and moral energies in official and in private life. German bureaucrats were well trained and willing workhorses. Results count, as the saying goes. They counted woefully in Germany. The spirit of bureaucracy spread with amazing rapidity. It dominated all public activities. It permeated all private activities. Its spread was utterly consistent and utterly logical. There was no help for it.

All that has been said heretofore in regard to German kultur and state absolutism should help to explain the rapid spread of bureaucracy in Germany. The immediate cause was the extensive ramification of political government. Federal, state, and municipal government functioned, without challenge from any source, not only in the twilight zones where political, social, and economic realities are no longer distinguishable as such, but also in those realms which are unmistakably social or economic. All public activity was tagged uniformly and arbitrarily with the political label.

However, it will not do to ascribe the wide extension of the functions of political government solely to Germany's political system. We in America have not (not yet!) extended the functions of

BUREAUCRACY

political government as far and wide as they were extended in Germany, but in spite of an entirely different system of government we have been quite as uniform as, and certainly more arbitrary than, the Germans in calling upon political government to solve the problems of social and economic life. The Germans were consistent, and therefore thorough. We were and are inconsistent, and therefore slovenly. It was German consistency and thoroughness that brought the entire twilight zone under political supervision and that permitted political government to pass beyond the twilight zone and invade realms which are distinctively social or economic. We, too, have permitted this, but the Germans did so deliberately. We have backed and filled. Without a quiver of an eyelash they annexed to the domain of political ownership, control, or supervision nearly all the institutions of social life. It is enough to mention three of the most important, namely, churches, schools, theatres. They also brought under "public" ownership, operation, or control telegraphs and telephones, transportation and mining, and very largely the means and forms of industrial production. Not a bad thing to do—if only the little word "public" had not been spelled "political." Since the war the Germans have learned the difference between the political public, the social public, and especially the economic public. In our ancient philosophy no such difference as this exists.

AUTOCRATIZED KULTUR

It was quite inevitable that the German civil service should assume huge proportions, and should overshadow all other service. It was organized by bureaus, and bureaucratic methods and notions eventually characterized not only the civil service but all service as well. Hundreds of thousands goosestepped in the federal, state, and municipal service. Theirs was the broad highway of bureaucracy. Millions upon millions, in every professional, industrial, commercial, and financial pursuit; in the crafts and trades; and in the domestic callings, fell into step with the official procession. Some, it is true, edged along the furthest side of the road treading, as they fondly believed, the old and dignified path of burgherdom, the *bürgersteig*. It was really the sidewalk of bureaucracy. But, and this was highly significant, there was nowhere any crowding. All goosestepped. Nobody jostled. Nobody stepped out of the line to pass forward in the procession. Nor was there any loitering, least of all arguing. All moved with automatic precision their appointed tasks to perform, and ceased as automatically at the appointed moment. Performance synchronized with prescription. All Germans were good bureaucrats.

It is perhaps only a matter of taste how we have life served up to us. The French prefer their bureaucracy in one form, the English in another, and we Americans in still another. The Germans

BUREAUCRACY

preferred the way of standardized discipline. They chose it deliberately, and pursued it consistently. The signposts along the way were not emblazoned with bureaucratic emblems. For, as heretofore remarked, bureaucracy itself was not a matter of deliberate choice. The Germans were human beings, and sensed, just as we sense, the soul-numbing monotony of the bureaucratic highway. In their soul's disquiet they found a word, and spoke of *bürokratismus* stigmatizing the mental and moral serfdom of official bureaucrats, somewhat as we speak of official red-tape. But just as the official bureaucrats failed to comprehend their degradation as human beings, so the millions of unofficial bureaucrats were blind to the *bürokratismus* in their own ranks.

The highway was gay with bunting. Triumphal arches spanned its width at regular intervals. Memorial statues flanked its length. Reviewing stands rose here and there, and at the head of each successive section of the marching hosts rode a marshal and his suite followed by those who both set and eased the pace with sweet music. Even if you were a spectator coming from foreign lands you could feel the thrill of it all, and if you were a bit inquisitive you could note the same thrill throbbing down the whole line, fixing its rhythm and binding it into an endless procession of animated manikins. Then, if you listened intently, you could catch the

AUTOCRATIZED KULTUR

dominant note of that moving symphony in D flat and the note was—DUTY.

With a curious little catch of the breath some Americans still recall those spring days of 1918 when, in every city and hamlet of our broad land, processions great and small moved rhythmically down the main thoroughfare. Nowhere was the sight more imposing and nowhere more profoundly impressive than in the city that appears wholly devoted to the silly business of money making and pleasure seeking and that we proudly call our Gotham. The Red Cross parade in the City of New York was a spectacle never to be forgotten. It was more than a spectacle. It was a precious experience. It, too, was a great symphonic movement in D flat. It was participated in by millions, those who marched in body and those who marched in Spirit, all going forward to self-forgetting helpfulness and self-giving service. In a voice none had ever heard before Duty spoke, not harshly and commandingly, but softly pleading, with a mother's gentle urging. Duty laid her invisible hand with understanding sympathy on every shoulder, and pointed to the emblematic figure beckoning to organized effort: the Greatest Mother of All.

Duty never spoke in gentle pleading to the Germans, nor laid an invisible hand with understanding sympathy on each shoulder. In that unhappy land Duty had lost its humanity. Duty was a mon-

MILITARISM

strous IT. Categorically it spoke and imperatively, as duty always speaks when made the mouthpiece of authority benevolent or otherwise. It pointed to another emblem, that of the absolute state. No mother was that state. It was a sphinx rending living souls even as it gave the accolade. Rodin's "*le dernier baiser*" might well have symbolized to an American watching the marching throng of duty-impelled Germans, their fatal obsession.

German bureaucracy had a close ally in German militarism—so close, indeed, that it was largely responsible for the baneful spread of bureaucracy. For this reason the figure of speech employed in the foregoing passages seemed not inappropriate.

The Germans had no word that carried the full import of "militarism." *Militarismus* had its companion word in *bürokratie* and not in *bürokratismus*. It meant the system of military preparedness through general military conscription (comparable to our selective conscription during the war). It meant a people under arms (*ein Volk in Waffen*). Necessarily it also meant the methods employed in establishing and maintaining the system, and incidentally the practical results of so doing. Wherefore the Germans looked upon militarism as only the counterpart of navalism. They believed honestly that German militarism was as self-justified and as sanely proportioned as British navalism. For this reason

AUTOCRATIZED KULTUR

they were completely dumfounded when the world accused them of militarism and so accusing them held the indictment to be complete. They could not feel the force of the charge, for they did not know that it covered far more than they understood by the same word.

If an American spoke to a German, say in the spring of 1914, of the dangers that lurked in German militarism, the German would answer, more likely than not with petulant disdain of the American's ignorance: "Why pick on us? Look at France with a standing army of 794,000 and Russia with another standing army of 1,440,000 men. Germany's peace effectives amount to 761,000 and Austria-Hungary's to 478,000 men. We are not as military as our adversaries. With a population nearly twice the population of France we maintain a smaller standing army. And if this does not satisfy you, then cast your eye over the military expenditures of the four countries since 1910. Russia and France have spent over nine and a half thousand million marks; Germany and Austria-Hungary have spent only seven and a half thousand million marks. Why prate of Germany's militarism?" If you proceeded to explain what an American meant when he spoke of militarism, the reply would miss the point entirely. You would be told that military training made men of slouchy laborers and awkward peasants; that it set them up, and taught them to "snap

MILITARISM

into things"; that it was, so to speak, a physical, mental, and moral bath without which the German people could not develop the vigor necessary for their economic maintenance to say nothing of the protection of their national existence against foreign aggressors.

To-day the sinister import of militarism is better understood in Germany. It would be going altogether too far to say that the so-called cultured classes of the population are convinced of the distinctly sinister character of *German* militarism and that they hold it responsible for the war. The latter belief is not entertained even by the mass of the workers. But this can be said with definite assurance, that at least eighty per cent. of the people do recognize in militarism as such one of the chief and immediate causes of the war, at least in so far as they have in mind the enormous armaments by land and sea that were being maintained by all the great powers. In addition, many Germans maintain that German militarism was more responsible for the war than the militarism of other nations. They do not admit that the German *people* deliberately undertook a war of conquest, but they do admit that the people were blinded by the military strength of the nation and in stupid complacency permitted their Government to pursue the course it did in respect to Austria's treatment of Serbia. To this extent they hold their own people responsible for

AUTOCRATIZED KULTUR

the war, but not beyond this. Throughout the great mass of the working classes there is but one judgment on the war and it can be summed up in four distinct counts.

First, The war was the culmination of the policy of mutual distrust fostered by military armaments.

Secondly, In no responsible (European) quarter was there any sturdy and effective opposition to war as an ethical monstrosity.

Thirdly, Europe lacked great statesmen capable of transforming the passive motive of not desiring war into the active motive of preventing war.

Fourthly, Given these conditions in Europe and their continuance, war was inevitable sooner or later. That it happened to come in August, 1914, was Germany's fault to the extent heretofore stated.

As time goes on, one feels less and less inclined to disagree with this view of the tragic sequence of events and to hold with Lloyd George that the nations of Europe "slithered" into war. The "slithering" of the German people is explained in great part by their militarization.

Voices are heard in Germany today condemning militarism in terms that were quite impossible before the war. Secretly and openly they cry out against militarism, and in so doing they give us the right to hope that its power has been broken.

In his sturdy book, "*Weltmutation*" ("World-

MILITARISM

Mutation")), C. H. Meray compares militarism with a cancerous growth in the organism of humanity, and asserts that it unhappily found a peculiarly congenial environment in German kultur.

A. Fried, in his war diary (*Mein Kriegtagebuch*), defines militarism as a state of mind arising from the conception of the isolated state bent on self-assertion, a conception he holds to be wholly out of harmony with the ideal of co-operation and mutual dependence.

Others refer to militarism as "the doctrine of might"; as substituting for the human conflict with words and convictions the bestial conflict with teeth and cannon; or as "a system that has become plainly unendurable because it enslaves and depraves humanity."

But before militarism ran its tragic course in Germany the majority of the populace accepted it for the sake of its four supposed virtues: efficiency in war, effective organization, the sense of duty, and self-discipline.

German militarism did create a military machine that was almost irresistible in war. It did organize human activities down to the smallest detail in the non-productive field of military service and indirectly in every productive field of service. It did enthrone duty as duty had been enthroned never before in the history of the race except possibly in ancient Sparta. But in achieving these ends it fostered servility and

AUTOCRATIZED KULTUR

subordination; encouraged arrogance and overlordliness; and made a fetish of the state. Instead, therefore, of liberating the progressive elements in German kultur, it set its iron heel on them.

The fourth virtue, self-discipline, was never a characteristic of militarism. Its counterfeit was. The Germans were disciplined, but discipline by external authority, especially when it is by rote, is not worthy of the name of self-discipline. It may lead to self-discipline under favorable conditions, but the conditions were decidedly unfavorable in Germany. Military discipline simply thrust nearly every German deeper and deeper into the mire of moral stagnation.

CHAPTER IV

CITIZEN OR SUBJECT

"Every American child should be so disciplined that when it is told to do a thing, it will obey automatically."

A great, a very great American wrote these words and he wrote them in contemplation of the world's great tragedy. Probably, as was too often his wont, he did not think his proposition through to the bitter end. But he thought far enough to assert that in the kind of child-training he recommended we must lay the foundation of good citizenship.

It is to be feared that the products of that kind of training will be subjects and not citizens. So insidious is the force of the mistaken ideal of the state which lured the Germans into the tragic abnegation of their manhood, that the outstanding American of the passing generation, whom we loved for his very manliness and independence, recommended it to us. Surely, we are never as freemen subjects of a state, least of all of a state that presumes to embrace all the activities of human community.

AUTOCRATIZED KULTUR

Max Weber, the author of a recent and really great German novel (*Der Untertan*), has this to say about his fellow Germans in one of his political pamphlets entitled "Might and Man" (*Macht und Mensch*):

"Look back upon the manner in which the national will was inflated unnaturally for decades. Recall the ruthlessness of public thought and the killing of your old-accustomed reason in which strength was paired with moral virtue. What was demanded of you was incredible. You were to be an everlasting race of rulers (*ein ewig dauernd Herrenvolk*). Plainly, the demand was horrible. It meant: fight all other peoples until they are exterminated or enslaved; sit enthroned in lonely grandeur, the enemy of all, the oppressor, the judge, the sole conscience of the world,—and do so in all eternity! Was ever a like demand made of human beings? Its equal was unheard of in Rome and England. No people possessing a virile sense of reality ever succumbed to a temptation so monstrous as this. You succumbed and the war came.

It did not come, no, it surely did not come through Germany. It never came through the patient, intelligent, justice loving people of eternal Germany. It came through a being that dully honored things as they are; that mistook subordination, crudeness, harshness for laws of life, and contempt of mankind for life's final fruit; that was superficial, insincere, and spiritually frivolous, ever refusing to fight for, though always willing to snatch and smack at, the highest; a being that, cap-

CITIZEN OR SUBJECT

ping the climax, proclaimed this mischievous nonsense to be the fulness of growth and perfection, and itself (pitiful changeling that it was of a true German) to be the consummation of it. The war came through this being and it was the German subject."

Weber's indictment of the German *untertan* is severe, but not too severe. The spirit of servile subordination played havoc with all those fine and inspiring qualities that we discovered in German culture. Of them it made the travesty we have just described as German kultur.

Another recent German author, writing anonymously of Germany's tragedy (*Die Tragödie Deutschlands*) closes the first chapter of his discussion of "the German People," which he entitles *Der Untertan* and in which he quotes from Weber's book, with the following remarks:

"The war might have been sustained as a strictly defensive war with freemen. We would not have it so and therefore we doomed ourselves to lose it as subjects."

I confess to a creepy feeling when I read books like the foregoing or let my mind wander critically over Germany's futile struggle during the past century. All the tendencies that finally forced their way to the surface and made German kultur what it became, lurk in our American life. At times they lift their ugly heads above the surface. We, too,

AUTOCRATIZED KULTUR

are but human. We, too, are repeatedly blinded by the material splendor of our state. We, too, are superficial in our thinking and insincere in our idealism. We, too, bow supinely before that which is, and chant the goosestep-song of the eternal yesterday.

All this and more we have in common with the Germans of pre-war days. Can we be quite sure that the elements that united disastrously in German kultur may not some day unite as disastrously in an American kultur? It will not be exactly the same union, but it may be an even more disastrous union.

The only assurance vouchsafed us is that which comes with eternal vigilance. Democracy as a principle is and can be efficient only to the extent of our understanding of it. Misunderstood, even denied, it yet continues to operate relentlessly but wastefully. It has been working in mankind since the dawn of history, but mostly without mankind's intelligent and purposeful co-operation. The tale of human civilization is one great succession of tragedies, because men are so slow to learn the lesson of their own nature. Yet it is also a tale of the slow recessional of the furies of discord.

It was America's proud mission to hasten the slow movement and to reduce the fearful waste incident to the unconscious or unpurposeful urge of democracy. We sought to make democracy purposeful, and to that effort America owes her position in hu-

CITIZEN OR SUBJECT

man history and the homage of other peoples. Is the mission to pass to some other people? Or have we Americans the desire, the intelligence, and the will to blaze the trail still further? Purposeful democracy becomes a tragic limitation if we allow its goal to become fixed, and the fate that awaits us will be as much more tragic than the fate that overtook the Germans, as the democracy which was *once* ours was more purposeful than the Germans'.

Once? A small word but a dire word! Democracy is dynamic. By no human dogmas or devices can it be made static, and woe to the people that attempts to do so. Are we making that attempt? It were well to search our souls. It were well to ponder the fate of Germany lest we forget the true meaning of Americanism and the *ever new* purposefulness of democracy. It were well that we, too, and not only the peoples of Europe, highly resolved that the dead shall not have died in vain and that our people, as well as the European peoples, shall have a new birth of freedom.

PART II

DEMOCRATIZING KULTUR

CHAPTER V

SELF-COMMUNINGS

In the foregoing chapters German kultur is pictured as it appeared to us. Necessarily we saw it as no other people saw it. Necessarily all peoples disagreed in their estimate of it. Necessarily no people valued it in the same way as the Germans. For even when the relationship between peoples is normal, no people ever quite does justice to another people's kultur. During the war the relationship was abnormal. As a consequence the sum and substance of German kultur seemed, for the time being, to comprise only those traits that were distasteful to us. To this extent, as heretofore remarked, our estimate of German kultur was neither complete nor impartial. The same assertion can be made of the Germans' estimate of English or French kultur. Nevertheless many Americans persist in the belief that we saw German kultur exactly as it was and that our judgment of what we saw was the truth, the whole truth, and nothing but the truth.

Unhappily the war became a war of peoples. It was doomed to take this turn by the terrific demands

DEMOCRATIZING KULTUR

of modern warfare. Whatever it may have been in its inception, no one responsible for its coming and its prosecution, could hope to see it through without having resort to the methods of the demagogue. You cannot feed millions of human lives and billions of treasure into the bloody reaper of war unless you can enthral popular reason and enthrone popular passion. Deliberately we did this. Deliberately it was done in every country whose people were called upon to make unheard of sacrifices. Hate was sown with a free hand and hate sprouted luxuriantly, blooming into the red flower of carnage. The flower has now gone to seed and the seed is falling on a soil that is fertilized with prejudice, distrust, uncharitableness, intolerance, incrimination, and every kind of falsification. All the sordid predispositions that make for mutual bitterness and vicious antagonisms among the peoples of the white race are being cultivated, and now, at least one of Germany's former enemies is imperiously proclaiming the doctrine of might. One says it regretfully, and yet one must say it, that the gargoyles of French kultur now begin to grin at us. Instead of a finer and sturdier community spirit, the war has left us a heritage of discord. To a thoughtful person this fact is alone sufficient warning that somewhere there is something radically wrong.

It would be a real service to humanity if one of the many societies that sentimentalize about world

SELF-COMMUNINGS

peace would collect and publish for the enlightenment of the world the mutual incriminations that were deliberately broadcasted among the warring nations. We Americans are familiar, I hope *ad nauseam*, with the stories of German atrocities. They were told on the platform and in the pulpit, in the press and in pamphlets, in illustrated supplements and in the "movies." Equally atrocious stories were circulated quite as widely in Germany about Germany's enemies.

War is itself an atrocity, and breeds atrocities. The world war bred more than its share. But no one was content with this reflection. Every people had to be proved soulless to the satisfaction of the enemy people. During those frightful years we seem to have gone mentally and morally insane. We were taught to believe all evil of our adversaries and we had no means of verifying what we were taught. We went from bad to worse. We not only believed what we were told, however slanderous it was of human nature, but we actually revelled in our beliefs. And the horror of it all was this: that we meant well, and meaning well wedded man's most generous aspirations to man's meanest appetites.

God pity a generation that cannot wipe from memory those mutual defamations! If it must take up the burden of reconstruction caught in the toils of memories like that! Few and far between are the leaders brave enough to wrestle with the fear-

DEMOCRATIZING KULTUR

fully intricate problems of the present peace as long as their respective peoples aver that the defamations were justified or cry out in passionate resentment against the slanderous imputations. Never in the history of mankind was the ninth commandment shattered to atoms with such holy glee and in such wholesale fashion as during the years of the war.

In part this utter self-degradation of humanity is explained by the cruel necessities of the war. But surely, no popular war can call for popular hatred so viciously indiscriminate and so brutally lustful as that of the past years—unless a people's ego is self-exalted. That was the case, in varying degrees, with Americans, British, French, and Germans (to say nothing of other peoples) even before the war. It was the price we paid for centralizing community activities in a single institution, the state; and the greater the centralization, the greater was the price. As between peoples, the state became the nation, and Germany had an acute attack of "nationalitis." While it would be going altogether too far to hold that the cause of the war and of the present discord in the world must be sought directly in the emphasis laid on nationalism and indirectly in the undue extension of the political state, still it is *one* of the demonstrable causes of popular antagonisms. Peace will not come as a matter of course with the removal of this cause, but its removal will at least make it possible for mankind to approach many of the sin-

SELF-COMMUNINGS

ister entanglements of its community life with a mind less closed to reason and with a purpose more nearly in keeping with its great common impulse.

There were in German kultur many fine traits of which it were well to remind ourselves. Thrift and thoroughness; orderliness and cleanliness; honesty and decorum; industriousness and perseverance; scientific rectitude and æsthetic truthfulness; sobriety and cheerful leisureliness; these and other traits Americans freely recognized as distinctive in the common life of the German people. They were innate in German kultur; they were its natural features. Gripped and held in the ever-tightening vice of an imposed and artificial kultur, they were bent and twisted to the will of those who set the nation above the people and therefore ordained that the latter should be the subjects of the state.

I do not know, nor does anybody know, in just how far the German people regarded the war as a purely defensive war in July—August, 1914. Certainly millions believed passionately that the war was wished on them by the entente powers. Even William II thought it highly advisable to speak of a war of self-defence. The Social Democrats voted the war credits (August 4, 1914) only after the party went on record against a war of conquest.

A year and five months later the situation had changed. The Government threw off the mask of

DEMOCRATIZING KULTUR

self-defence; the great industrialists (except August Thyssen) and the National Union of German Industry declared in favor of annexations; and the Social Democrats voted the new war credits on this program. It is but fair to state that this vote split the party. But it is also true that the bolting Independent Social Democrats were universally regarded as traitors to their country. German victories in the East and the West, coupled with publicly discussed plans for the partition of Germany between the entente powers, appear to have made a superimposed kultur finally regnant.

After the allied blockade became effective, there followed years of privation such as no people of the entente countries were called upon to endure. What the great mass of the German populace, especially the thirty-five to forty million urban residents, suffered in the winter of 1916-17 and of 1917-18, beggars description. Their staple food was not bread, potatoes, and meat, but fodder turnips. In these terrible years the German people "found" itself.

In Germany as elsewhere, the burden of the war was thrown upon the people. Government confessed its utter dependence on the people, and issued appeal after appeal. The old "Thou shalt" became a new "We beseech thee." The artificial inhibitions of the past gradually broke down. The German subject began to feel himself a citizen. Popular initiative superseded popular inertia. Within the allies'

SELF-COMMUNINGS

iron ring, shut off from intercourse with the outside world, and huddled together in a foodless and heatless community, the Germans discovered their common soul. We of the hostile nations also discovered a common soul, each nation its own. But we were not, especially not in America, forced to rely on it in desperate isolation.

CHAPTER VI

THE REVOLUTION THAT FAILED

Much has been changed in Germany since the war, and changed fundamentally, but the changes are not the result of revolution. The revolution failed. Inspired by Russian example, it was communistic, and culminated in the Spartacist revolts of the winter and spring of 1918-19. Its failure but emphasizes the non-revolutionary character of the new order. At the very most one may credit the communistic movement with two achievements. It called attention to a fact that otherwise might not have been as glaringly patent as it was, namely, the collapse of the old order; and it served as a philippic to those aspirations of the German people that were more or less arrested under the old order and that now required some incentive to purposeful self-assertion. The new German state is the result of an evolutionary and not of a revolutionary process. Herein lies its weakness, and herein also lies its strength. Too indefinite in its purpose and its form to cope masterfully with the prodigious problems that confront it, it possesses, by reason of its demo-

REVOLUTION THAT FAILED

cratic nature, a capacity of adaptation to the real needs of the German people that is a happy augury for their future and the future of Europe.

In the third year of the war the old order went into voluntary bankruptcy. By mutual consent of all concerned, including the German people, the country's fortunes were intrusted to a military receivership. Hindenburg and Ludendorff were now the virtual rulers of Germany.¹ There was in this change nothing in the nature of a *coup d'état*. The kaiser and his ministers, the bundesrat and the reichstag recognized the authority of General Headquarters, and carried out the demands it made. Civil government became the creature of military government. The old established authorities submitted because they perceived that the old order could be preserved only through a temporary military rule. For it was well understood that a successful outcome of the military receivership would mean the restoration of the Bismarckian state to its pristine authority. The people submitted because their confidence in the old order had been shattered. They had been cajoled into aggressive warfare (in the second year of the war) by assurances that now seem the reckless gabbling of madmen. By many the old régime was held responsible for the war. The military receivership could at least preserve Ger-

¹ Admiral Von Tirpitz, despite his great following, cannot be regarded as an important political factor in the situation.

DEMOCRATIZING KULTUR

mans from defeat at the hands of their enemies, and prevent the invasion of the country. It promised an honorable peace. It guaranteed the people against the loss of territory or of possessions. It even assured them that Germany would emerge from the war safe for all times from external dangers. Implicitly they trusted their military leaders.

This transfer of popular allegiance from the constituted authorities to a military receivership was the first definite sign of the collapse of the old order.

Then the military receivership was dissolved by the allied and associated powers. In July, 1918, an inkling of the real state of affairs began seriously to disturb the people. It seemed as though the military magnates, too, had deceived them and as though they, too, had promised not only the impossible, but what they knew to be the impossible. The conviction grew steadily that the military authorities were quite as untrustworthy in promise and performance as the civil authorities before them had been. In September, all confidence in General Headquarters vanished. Thereafter, for nearly four weeks, the German people really had no government. The machinery of government continued to revolve, but only under the momentum of the past. Those who were loyal to the old order saw the handwriting on the wall. If military authority were to collapse now, then there would be no authority in Germany, and of a surety there would be no hope of dissolving the receivership in

REVOLUTION THAT FAILED

favor of the former order. Desperately they set to work to restore some kind of confidence in the former system. In order to accomplish this it became necessary to win back the people's interest. Maximilian von Baden, known for his liberalism, was called upon to save the situation before it was too late. He became imperial chancellor, and promised reforms which guaranteed in effect a parliamentary government after the British pattern. The people were to exercise sovereignty through the reichstag; the chancellor was to be responsible to their parliament; the emperor, however, was to remain, the symbol of German unity.

But before these and other reforms could be inaugurated, General Headquarters, too, confessed itself bankrupt. In his famous telegram of October 1, General Ludendorff demanded of the chancellor that a request for an armistice be sent within twenty-four hours to President Wilson, otherwise General Headquarters would not be responsible for the consequences. The fat was in the fire. In vain the new chancellor sought to overcome the terrific effect of this telegram by announcing and putting into execution his liberal program. With the collapse of the military receivership all chances of re-vesting its authority in the civil government was gone. Do what he might to restore confidence in the established order, Max von Baden could not succeed. There was nothing left in which the people had confidence. The

DEMOCRATIZING KULTUR

functionaries of the old order were still there, but government in any true sense was extinct. It had ceased to be, for its moral presuppositions had vanished. All that there was left was the German people. There was not even a German state, if by "state" we mean the people organized for a definite, common purpose.

It is necessary to stress this point. In no other way can we justly estimate the present order. It is the more necessary since Germans themselves cannot, in the retrospect, appreciate the situation as it really was. To them it must seem as though the German state still continued to exist in those nightmare days of October. No doubt it did, but only beneath the surface of consciousness. It was there as an indefinite longing, an unformulated ideal. It was not there as a reality conscious of its own content or actuated by a characteristic purpose. Nothing seems to prove this more clearly than the astonishing rapidity with which seemingly revolutionary governments sprang into existence in all parts of the country.

The revolt of the navy at Kiel, November 4, was the signal for a revolution after the Russian pattern, but only in its surface aspects. Workmen's and soldiers' councils were formed, almost over night, in the Hanseatic towns (Hamburg, Bremen), in the Rhinelands, and in southern Germany. In a few days, similar councils were organized throughout

COURSE OF THE REVOLUTION

Germany, and possessed themselves of the reins of municipal and state governments. Officially communistic and always organized by communistic leaders, they do appear to establish the existence of a widespread revolt against something more than the old political order. It was, in fact, an attempt to subvert more than the war had overthrown. But this purpose of the leaders was not the true reason for the extension of the council system to all Germany. That was possible only because the old political system had passed away. The council system was better than nothing and, at the outset, millions of Germans accepted it, and even participated in it, who rejected the doctrines of communism and had no sympathy at all with the theory of proletarian rule. Under no other supposition are the subsequent events intelligible.

In order to stay the incipient revolt, Prince Max decided to go to General Headquarters and to induce the emperor to abdicate. To this plan the Social Democratic members of his cabinet (Ebert and Scheidemann) refused to give their consent. They demanded the kaiser's abdication as the price of their continuance in the Government, thereby knocking the last prop from beneath the old system. The logic of their demand if granted could not be escaped. For it disestablished the kaiser's divine right, and established the principle of popular sovereignty not only with respect to the parliament and the ministry,

DEMOCRATIZING KULTUR

but also with respect to the kaiser. This demand Prince Max would not concede. On the other hand, he could not continue to hold office without the support of the Social Democrats. Consequently he tendered his resignation to the kaiser, who requested him to continue to act as chancellor until a new Government could be formed.

On November 9, Prince Max designated Ebert as his successor. On that day the kaiser fled to Holland and Field Marshal Hindenburg immediately recognized the new chancellor's authority. Prince Max announced, prematurely it is true, that the kaiser had abdicated and that the crown prince had relinquished any claims he might have to the imperial and royal crown. The Social Democrats at once effected a working agreement with the Independent Social Democrats, by virtue of which the new Ebert ministry was to consist of three members of each party (Ebert, Scheidemann, Landsberg, representing the Majority Social Democrats, and Haase, Dittmann, Barth, the Independent Social Democrats). But the old order was so completely wrecked that no ministry organized under it and no reichstag elected under it could govern.

On the afternoon of November 9, representatives of the workmen's and soldiers' councils of Berlin foregathered, in the chamber of the reichstag, with the chancellor designate and his ministry, and with representatives of the two Social Democratic parties.

COURSE OF THE REVOLUTION

It was decided to form a provisional government that should consist of a Council of the People's Commissioners, an Executive Committee of twelve (*Vollzugsausschuss*), and an executive council to be known as the Six Commissioners. Ebert and his ministry were to constitute the Six Commissioners. It was further decided to request all the workmen's and soldiers' councils of Berlin to send delegates, one to every thousand workmen (smaller factories to combine to elect one delegate) and one to every battalion or unit in the barracks or hospitals, to a convention to be held on the following day, at five o'clock in the afternoon. At this convention the provisional government was established (it will be noted that the reichstag was disregarded), and the People's Commissioners, the Executive Committee, and the Six Commissioners were chosen, or rather the choice made the day before was confirmed.

Two days later the Six Commissioners issued a proclamation to the German people. It guaranteed certain fundamental rights, such as the right of association and assembly (even for government officials and employees), religious liberty, freedom of speech, political amnesty, abolition of the state of siege, *etc.*, and promised legislation designed to meet the difficult economic situation and to prevent the exploitation of labor. The proclamation concluded with the announcement that hereafter elections would be by general, direct, secret franchise of all male and

DEMOCRATIZING KULTUR

female persons twenty years of age; that the system of proportional representation would be introduced; and that these provisions would apply in the election shortly to be held for the National Assembly.

Let it be remembered that the provisional government so organized and appealing to the people, had no mandate from the country. Its authority was derived from the workmen's and soldiers' councils of Berlin. It was, however, not local in two of its aspects. In the first place, Berlin was (or had been under the old régime) the capital of the nation. In the second place, the Six Commissioners were actually the representatives of two national parties. These two facts helped. Nevertheless, the assumption of nationwide authority expressed in the proclamation was an experiment that might have proved disastrous had the communistic council system reflected the real temper of the populace of Germany. The proclamation was intended as a test of the people's temper. The outcome proved conclusively that there still existed a German people, and that this people felt itself one and was desirous of establishing its own state.

The test came on the concluding paragraph of the proclamation. The communists were bitterly opposed to the calling of a national assembly, and in their opposition they were supported by the Independent Social Democrats. They countered with the demand for a proletarian republic based on the coun-

THE NATIONAL ASSEMBLY

cil system. Throughout Germany the cry arose for a dictatorship of the proletariat. Had the workmen's and soldiers' councils, who controlled all the government agencies of the country, been in fact as revolutionary as seemed to be the case, no national assembly or constitutional convention could have been held. For the whole question was submitted to a conference of the provisional governments of the several states which the Six Commissioners convened at Berlin, on November 25. Notwithstanding the strenuous efforts of the Independent Social Democratic members of the Government, this conference approved the calling of the National Assembly. Scheidemann, speaking of its purpose, was fully entitled to declare that the National Assembly was being called not to legalize a revolution, but to lay the foundation for the future state. Even Dittmann, the Independent Social Democrat, was obliged to admit that the masses of the German populace desired a constitutional convention.

When the election law, announcing the manner in which the elections were to be held, was promulgated, the communists resorted to violent measures. They had the sympathetic support of the Independent Social Democrats. The provisional government countered with a call for a congress of the workmen's and soldiers' councils of the whole country. This assembled at Berlin, December 16-19; approved of the summoning of a constitutional convention in the

DEMOCRATIZING KULTUR

form of a national assembly; set the date for the elections for January 19, 1919; authorized the provisional government, which thus far possessed no national status, to function as the national government until the National Assembly should meet and provide otherwise; and appointed a committee of the states (*staatenausschuss*) to co-operate with the provisional government.

The Independent Social Democrats at once withdrew, in protest, from the Government and the communistic revolt, led by Liebknecht and Rosa Luxemburg and known as the Spartacist revolt (Liebknecht having written his appeals to the proletariat under the pen name "Spartacus"), immediately flared up. Nevertheless the elections were held. Over thirty million Germans went to the polls, or about 83 per cent of the population eligible to vote. The women voters were in the majority, outnumbering the men by about two million.

The election returns are interesting, and are given here for the purpose of showing the political complexion of the populace, especially the reactionary, constructive, and revolutionary elements as well as the schismatic tendencies in politics. The communists refused to make nominations, though it is a fair guess that many who favored the communistic cause voted the Independent Social Democratic tickets.

For the purpose of the elections the country was divided into 37 election districts, regardless of state

THE NATIONAL ASSEMBLY

lines, and each district (of approximately one million voters) was entitled to elect seven delegates, on a system of proportional representation.

The elections resulted as follows:

| | Votes | Delegates |
|---|------------------|-----------|
| National German People's Party | 2,898,143 | |
| Bavarian Party of the Middle & Nat. | | |
| Lib. Party of Bavaria | 118,921 | |
| Württemberg Burgher Party & Württemberg Vintners' League | 182,509 | |
| Combined vote (monarchical) | <u>3,199,573</u> | 42 |
| German People's Party (industrialists) | 1,240,303 | 21 |
| Christian People's Party | 4,812,448 | |
| Bavarian People's Party | 1,145,328 | |
| Combined vote (clerical) | <u>5,957,776</u> | 88 |
| German Hanoverian Party | 77,225 | 4 |
| German Democratic Party | 5,601,624 | 75 |
| Bavarian Peasants' League | 275,127 | 4 |
| Schleswig-Holstein Peasants' & Agricultural Laborers' Democracy | | |
| Brunswick Election Union | 56,858 | 1 |
| Total agrarian vote | <u>389,898</u> | |
| Social Democratic Party (Majority) | 11,466,716 | 163 |
| Independent Social Democratic Party | 2,314,332 | 22 |

DEMOCRATIZING KULTUR

The following parties obtained no seats in the Assembly:

| | Votes | Delegates |
|--|------------------|-----------|
| Social Reform Party | 45 | |
| Democratic Middle Class Party | 208 | |
| German Civil Servants' and Middle Class Party | 1,438 | |
| Christian Social Party | 664 | |
| Social Aristocrats | 279 | |
| Middle Class Party | 640 | |
| German Peace Party | 3,503 | |
| Mecklenburg Peasants' League | 10,901 | |
| Total vote cast | <hr/> 30,265,122 | |
| Total eligible voters | 36,766,500 | |
| Total delegates | | 421 |

Thirty-six of the delegates were women. Sixty-five professions and callings were represented by the men and ten by the women delegates. There were among the delegates 75 men and 9 women secretaries (and other officials) of labor unions; 39 editors; 32 higher government officials; 25 jurists; 24 party secretaries; 23 farmers and peasants; 10 men and 5 women teachers; 14 men and 5 women authors; 12 landed squires; 11 clergymen (protestant and catholic); 11 former secretaries of state; 9 university professors; 8 judges; 7 merchants; *etc.* There was one woodworker, one plumber, one mechanic, one metalworker, one photographer, one shoemaker, one printer, one glazier; but also one municipal senator,

THE NATIONAL ASSEMBLY

one ministerial secretary, one president of a chamber of commerce, one municipal commissioner, etc. An inspection of the whole list from the point of view of occupation and a study of the character and attainments of the individual delegates amply justify the assertion that there have been few representative assemblies more typical of a population numbering millions than the Weimar National Assembly.

In the foregoing table of election statistics, the first groups, with a total vote of forty-two, constituted the reactionary element; and the last group, with its twenty-two members, the revolutionary faction. All the other groups were committed to the democratic principle. This was true even of the German People's Party. Inclined to favor a limited constitutional monarchy (such as existed in Great Britain), the industrial party opposed political paternalism in economic affairs, demanded the emancipation of industry from all political shackles and the establishment of a non-political régime for the people's economic production. But even if we count this party as a party of reaction and assume that all the non-voters were revolutionists (in each case an untenable conjecture), the election returns indicate that the constructive element of the population outnumbered the combined extremes, two to one. The popular vote (including the six million who refrained for one reason or another from voting) would then show the following alignment:

DEMOCRATIZING KULTUR

Reactionary element of the population 4,500,000

Revolutionary element of the population 6,500,000

Constructive element of the population 23,000,000

Two days after the election, the provisional Government, consisting now only of Majority Social Democrats, issued the decree summoning the National Assembly into session, at Weimar, on February 5, 1919.

Germans are prone to see in the elections for the National Assembly only a triangular struggle between the partisans of the old order, the bourgeois parliamentarians, and the revolutionary proletarians. There is no denying that an alignment of this kind did characterize popular sentiment. The Centrists and the Democrats were distinctly bourgeois parties, the Majority Social Democrats as distinctly a "labor" party. But the fact remains that all three were bent on constructive measures. As the sequel shows, they collaborated in framing and adopting the constitution; continued to constitute the Government as long as the National Assembly remained in session (until the spring of 1920); and for a year and a half thereafter were the only parties whose support could be counted on by a coalition Government. A foreigner who takes his cue from German commentators is, therefore, likely to underestimate the constructive forces that were at work in the country. On the other hand, he will be apt to overestimate them un-

THE POLITICAL PARTIES

less he bears in mind the political schisms within the constructive groups.

Before analyzing briefly the policies of the majority parties, we ought to note that all parties officially recognized the passing of the old order. No party dared to go before the people with a plea for its retention. Of course nearly all those who supported the National German People's Party retained a secret preference for the imperial régime, but as the name of this party indicates, it officially rejected the principle of divine right. The party's manifesto announced that "it is the duty of every German to co-operate in the reconstruction of the German state and people (a significant reminder of the old notion of the primacy of the state); to give a new form and a vital content to the new Germany; endowing the state with authoritative powers; founding it on the free will of the people; and causing its protective influence to extend over social and economic life for the advancement of the national kultur and the social welfare."

Similarly the Independent Social Democrats endorsed the parliamentary system though they had withdrawn from the provisional Government. They also rejected the system of delegated government by means of workmen's and soldiers' councils despite their secret sympathy for proletarian rule.

Because it was perfectly well understood that the

DEMOCRATIZING KULTUR

National German People's Party desired to depart as little as possible from the old order and that the Independent Social Democrats were bent on the overthrow of capitalism and on proletarian rule, the elections may well be regarded as a decisive victory of the democratic principle. On the other hand, the extraordinary disagreement in respect to the kind of government that would best serve the people was not then, nor is it now, a happy augury. Germany's weakness was, and unless French policy shall help the people to discover the source of their potential strength, will continue to be, the lack of democratic *purposefulness*. The National Assembly failed to gather into a common, fundamental definition the democratic sentiment that actuated the mass of the voters. And yet, as we shall see, the great and often bitter disagreement in respect to secondary issues was perhaps responsible for the emergence of that issue which, vaguely stated though it is in the Weimar constitution, nevertheless gives to that document an epoch-making character.

The policies of the three majority parties (Centrists, Democrats, Majority Social Democrats) overlapped and contradicted each other in a most perplexing manner.

Both the Democratic and the Majority Social Democratic party favored a centralized government. They disagreed on two points; on direct participation of the people in government and on socialization.

THE POLITICAL PARTIES

The Democrats held strictly to the theory of representative government, and urged that the reichstag be invested with final authority. The Majority Social Democrats contended that the people's reserved sovereignty must be respected, and insisted on the initiative, referendum, and recall. Both parties believed in government ownership of the natural resources and transportation, but the Majority Social Democrats stood for the principle of government ownership and operation of the productive industries, as well. While they believed that the principle ought not to be put into effect regardless of the very serious consequences a sudden change would involve, they maintained that the state should be invested with authority to socialize all industry and that all monopolistic industries should be socialized at once.

Democrats and Majority Social Democrats agreed further in the conception of the state as unitary. Both parties opposed the theory of federation. Planting themselves squarely on the proposition that the basis of the state must be sought in the German people as such (as an indivisible unit), they declined to regard the several states as original communities. But in emphasizing the unitary character of the state, they were at opposite poles in their interpretation of the unitary state. The Democrats held to the view that the state is primarily a political community, whereas the Majority Social Democrats saw in the state primarily a social community. Accordingly

DEMOCRATIZING KULTUR

the Democrats proposed to organize the government wholly on political lines (after the pattern of most existing governments) and to charge the political authorities with the care of the people's economic and social welfare. The Majority Social Democrats, on their part, proposed to organize the government wholly on social lines and to intrust to this government the people's political and economic interests.

The unitary principle of the Democratic and Majority Social Democratic parties was rejected by the Centrists (and of course also by the National German People's Party). Arguing that the several states (or *länder*) were the original communities and that an inclusive German state could come into existence only through a federation of the states, they championed the principle of decentralization and of state rights. They stressed social differentiations, especially between the Catholic South and the Protestant North, but were inclined to favor the socialization of monopolistic industries, and proposed that the power of socialization be vested in the individual states rather than in the national state. They sided with the Democrats in opposing direct government by the people and in favoring the organization of government solely on political lines, but they parted company with them on the question of reducing the existing states to the status of *departments*, and of equalizing their political influence by combining the smaller states and partitioning Prussia into several

THE POLITICAL PARTIES

states or independent *departments* (Rhinelands, Westphalia, Hanover, Brandenburg, *etc.*). Their opposition to any change in the status of the existing states was supported by the National German People's Party.

The Centrists and Democrats were, however, united against the two Social Democratic parties in opposition to the Marxian doctrine. It was at this point where the fiercest antagonism manifested itself, especially since all parties of the right made common cause with the two burgher parties in this respect. But even in their joint opposition Democrats and Centrists were somewhat at odds. The former represented, to a very considerable extent, the financial, commercial, and *rentier* interests, and were uncompromising in their attitude. The latter, greatly influenced by the Catholic clergy and representing the lower middle and the upper working classes, were inclined to side with the socialists in their demand for the social and economic betterment of the working classes.

These are only the strongest crosscurrents within the three majority parties. A further complication was introduced by the party of the industrialists, the German People's Party. Split within itself on the question of labor's participation in the policies and the profits of industry, it was pretty well agreed on one very important point. No one in Germany saw more clearly than the leading industrialists the seri-

DEMOCRATIZING KULTUR

ousness of the economic problem that confronted the people. They knew better than most Germans, even the financiers, the economic losses that the war had entailed and the treaty would entail, and they were properly convinced that the German people could not survive these losses unless industrial efficiency were raised to the *n*th degree. They had had enough of the unholy union of industry and politics and they were profoundly convinced that German industry could never solve the problems ahead of it if it were subjected to control by a government in which political considerations were paramount. While they had no program to offer except the negative program of "hands off," still the arguments put forward in opposition to all political control of industry were responsible to no small degree for the new venture in economic government which was made tentatively in the last Article 165 of the constitution and which has since engaged the very serious attention of German scholars and men of affairs.

I think it will be conceded that this perplexing array of partisan policies did not make any easier the work the National Assembly was called to perform. Its chief duty was to frame and adopt a constitution. But the National Assembly was also charged with the duty of acting as the nation's parliament until the government for which it should provide, should be organized. This duty interfered seriously with the

PROBLEMS OF THE ASSEMBLY

proper execution of its chief purpose. The Assembly was somewhat in the position of the Peace Conference when the latter undertook to set up a new international order and to regulate simultaneously the very relationships which could find their proper adjustment only under the new order. The immediate, pressing tasks imposed upon the Weimar Assembly necessarily interfered with its chief and ultimate task. Every delegate was bound to reckon with the disastrous consequences of the war. He was confronted with the disorganizing consequences of the armistice. And he could not close his mind to the threatening consequences of the peace that was to be.

Briefly summarized the situation was this.

The country seemed to be plunging into a "red" revolution the extent of which no one could measure. The Assembly opened its session with a communistic revolt still unsuppressed, and was forced to deal with a second outbreak in the spring and with serious labor troubles.

On all sides the cry for food was heard. Malnutrition had undermined public health during the war. Children were 40 per cent below normal. After the armistice malnutrition increased. The allied blockade was not lifted. In February, 1919, the daily ration of flour had to be reduced to one third (80 grams per person) of the war ration. Milk, food fats, grains, and potatoes, were distressingly scarce. Child mortality was on the increase, trebling in the

DEMOCRATIZING KULTUR

last months of 1918. The people were facing starvation.

Approximately 50 per cent of all German industries were disorganized by the armistice, and could not be put on a productive basis until peace should come and enable Germany to obtain the greatly needed raw materials and participate in the world's commerce. Consequently about four million workers were out of employment, and this created a grave problem which was becoming graver each day by the demobilization of the army.

The railways were almost unserviceable and hardly capable of handling twenty-five per cent of their pre-war traffic. But in a country like Germany the arteries of traffic were the arteries of life.

Germany's finances were not in the utterly hopeless condition in the spring of 1919 in which they are today, but for this very reason the financial problem caused more sleepless nights then than now. I suppose every people, like every individual, can become inured to financial insecurity. When a person is hopelessly in debt a few thousands more or less do not count. But as long as his debts seem possible of liquidation he is nervously concerned in preventing their increase. This was the case in Germany after the armistice and before the London ultimatum (May, 1921). The people's debt was huge, but not so huge that its ultimate redemption seemed a hopeless task.

PROBLEMS OF THE ASSEMBLY

On March 31, 1919, the national debt amounted to 105 billion marks, of which 33 billion marks were unfunded. The reichsbank's gold holdings were reduced to less than one and a half billion marks, whereas its outstanding notes had increased to over 28 billion marks. The states of the reich were in debt for over 20 billion marks, and the municipalities for untold billions more. A vast amount of emergency currency was also in circulation (several billion marks), which had been issued by special loan banks and the municipalities. In addition to the money which had been levied from Belgian and French municipalities during the war and was now due for repayment, hundreds of millions of marks in gold would be required for the purchase of foodstuffs in foreign countries during the spring and early summer months. As a matter of fact Germany deposited in Brussels and Rotterdam banks, between March 13, and July 31, 1919, for the aforesaid purpose, gold coin and bullion to the value 730 million (gold) marks, all of which was purchased by the United States. Devastated East Prussia, a problem nearly as serious as devastated France, but of which we heard and hear little, had to be rebuilt and rehabilitated.

There were many other problems, some of them quite as vexing as any mentioned heretofore, not the least of which was the problem of arriving at a reasonable peace with enemy nations whose repre-

DEMOCRATIZING KULTUR

sentatives at Paris shut the door in the face of Germany's representatives. Yet this task, too, had to be undertaken, and in the retrospect we may as well confess that we should all be better off to-day had the German commissioners been permitted to argue the proposal to wipe out all scores by ceding Alsace and Lorraine to France and paying a war indemnity (in gold) of 100 billion marks, and had this proposal been accepted by the Peace Conference. Instead, the Conference took from Germany the means of making good the damage wrought, and made her recovery impossible by military occupation, economic sanctions, and other compulsory measures.

Intricate and perplexing as were the problems confronting the National Assembly, it undertook to solve them in no haphazard manner. Its first important act was to adopt a temporary constitution (Feb. 10) in order to put the government on a less precarious basis. It was provided that the government should consist of a president, a ministry, and a *staatenausschuss* (representatives of the governments of the several states). It was further agreed that, whereas the Assembly retained exclusive competency in framing and adopting the constitution, all other legislation should require the concurrent approval of the *staatenausschuss*. Ebert was immediately chosen president, and Scheidemann was commissioned to form a ministry. He appealed to

FRAMING THE CONSTITUTION

the three majority parties, and by an agreement reached between these the new ministry was constituted of five Majority Social Democrats, four Democrats, and three Centrists. Each party chose its ministerial representatives. The Majority Social Democrats were represented by Scheidemann, Wissel, Schmidt, Landsberg, and David (without portfolio); the Democrats, by Schiffer, Preuss, Brockdorff-Rantzau, and Gothein (without portfolio); the Centrists, by Bell, Giesberg, and Erzberger (without portfolio).

With the matter of the temporary government settled, a committee on the constitution, consisting of twenty-eight members, was appointed. The parties were represented on this committee as follows: Majority Social Democrats 11, Centrists 6, Democrats 5, National German People's Party 3, German People's Party 2, Independent Social Democrats 1. The committee was appointed March 4, held forty-two sessions, and reported back on June 18. Its report was finally adopted, with some minor and a few more or less important modifications, and passed the third reading, on July 31, by a vote of 262 (Majority Social Democrats, Centrists, and Democrats) against a vote of 75 (National German People's Party, German People's Party, and Independent Social Democrats). It was signed by President Ebert on August 11, and proclaimed August 14, 1919.

That the National Assembly was able to frame a

DEMOCRATIZING KULTUR

constitution within four months despite the legislative problems that it had to contend with, was due to the foresight of the Six Commissioners. Just as soon as it was apparent that the country favored a constitutional convention, Dr. Preuss, an eminent political scientist and undersecretary in the Department of the Interior, was commissioned to prepare a draft of the constitution. This draft was laid before the first *staatenausschuss* (the original committee of the states), and later before the second *staatenausschuss* (temporarily appointed by the National Assembly), and revised in conferences with the provisional and the later temporary Government. The revised draft was submitted to the National Assembly by the Scheidemann Government on February 24; subjected to further revision; and then referred, as already stated, to the committee on the constitution.

It is customary to speak somewhat slightingly of the constitutional work accomplished by the National Assembly, and there can be no question of its inadequacy. At the same time we shall do well to remember the enormous difficulties with which the Assembly was obliged to contend, not the least of which were the great divergences between the partisan groups. The reasonableness shown by these, especially in the deliberations of the committee, is the more surprising. No less surprising is the sterling ability manifested by an assembly drawn, as was the

FRAMING THE CONSTITUTION

National Assembly, from all classes of the populace. To read the minutes of the committee on the constitution and of the sessions of the Assembly in which the constitution was under discussion, is equivalent to a liberal education in political science. Had Germany been left free to work out its salvation, after August, 1919, instead of being hampered in the way it was, the devastated areas of France might by this time be restored, a fair start made in the payment of reparations or indemnities, and Germany might now be one of the world's great economic assets and not a dangerous economic liability.

We could not see it in that way in 1919-20. We could not believe that a radical change had come over the German people. We were still too near the tragic happenings of 1914-18. The entente nations could not see it that way in 1921 when they imposed on Germany the London ultimatum. The French nation cannot see it that way in 1923 when, blinded by political and economic nationalism, it undertakes to impose its military control on more than sixty million human beings. The folly of this undertaking vies with the German folly of August 1914. Europe totters drunkenly on the verge of ruin.

CHAPTER VII

THE NEW POLITICAL KULTUR

On a lecture tour of the United States, in the fall of 1922, M. Clemenceau appealed to the American people for support of France's economico-military policy toward Germany. The burden of his argument was France's insecurity and Germany's menacing imperialism; France's poverty and Germany's abundance; France's ennobling civilization and Germany's degrading kultur. We could wish that our guest from sunny France had been content with an exposition of the French people's very serious problems. Americans put a high value on French civilization, and wish to understand the needs of France and to be helpful to her. Unhappily M. Clemenceau indulged in invidious comparisons, and we really are satiated with vituperations. We may be very ignorant of the true situation in Germany and know very little of Germany's present ability to pay war indemnities, still we were rather amazed to be informed that Germany is the same old Germany, especially politically, and to be assured that the retention of the word "reich" is all-sufficient proof

THE NEW POLITICAL KULTUR

of the continuance of the old order. Willing as we are to be instructed by our European friends, we venture to question the conclusiveness of this argument. For if mere nomenclature shall determine our judgment, "Deutsches Reich" sounds less portentous than "British Empire." Moreover, if appearances are to count as heavily as that against the Germans, we are very apt to conclude that the charge of militarism might appear well founded in the case of France.

M. Clemenceau's reference to the word "reich" will serve as a convenient starting-point for an analysis of Germany's new political kultur. The word occurs, first, in the preamble to the new constitution. This reads (in close English rendering) as follows:

"The German People, united in its tribes and inspired by the will to renew and strengthen its reich in justice and freedom, to serve the interests of peace at home and abroad, and to promote social progress, has given itself the following Constitution."

The Preamble to the old imperial constitution ran as follows (likewise in close English rendering):

"His Majesty, the King of Prussia, on behalf of the North German Confederation; His Majesty, the King of Bavaria; *etc.* (*enumerating the princes who joined in the pact*) conclude an eternal federation (*bund*) for the protection of the federal territory and the laws therein

DEMOCRATIZING KULTUR

prevailing, and also for the promotion of the welfare of the German people. This federation will bear the name Deutsches Reich, and will have the following Constitution."

In so far as these preambles characterize the old and the new reich, no reader need be told that the former reich rested on the sovereignty of the princes and that the latter rests on the sovereignty of the people. Let an American read the preamble to the Constitution of the United States and he will be impressed at once with the similarity between it and the preamble to the constitution of the new Deutsches Reich, in both thought and phrasing.

For purposes that will be apparent in the sequel, the preamble to our Constitution is given here. It reads:

"We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution of the United States of America."

In each of the two preambles (the German and the American) there are two phrases that challenge attention. They are the companion phrases "We, the people of the United States" and "The German people united in its tribes"; and the other companion phrases

THE NEW POLITICAL KULTUR

“to form a more perfect Union” and “to renew and strengthen its reich.” Our present concern is with the latter.

Just as there was no “Union” in a technical sense before the adoption of the Constitution of the United States, so there was no “reich” in the technical sense when the National Assembly met at Weimar. On the other hand, had there not been a “Union” in the ideal sense, that is to say, had not the people of the several colonial states conceived of a union of their political existences and purposed to realize this idea, no constitutional convention could have assembled at Philadelphia. Similarly, had not the German people cherished the ideal of political unification and determined to realize it in practice, the National Assembly could not have been convened.

Now, just as “a more perfect Union” did not mean the perpetuation of the Confederation of 1778 and just as the Union established by the Constitution of 1787 was fundamentally different from the “Perpetual Union” of 1778; so the Deutsches Reich which was to be renewed and strengthened in 1919 was by no means the Bismarckian reich. For centuries, the political system under which the German tribes (Bavarians, Suabians, Saxons, Franconians, *etc.*) maintained a qualified unity, had borne the name “reich,” whatever its form, character, and scope. The reich was, therefore, nothing more and nothing less than the German people organized politically.

DEMOCRATIZING KULTUR

In 1919, this people was bent on achieving its own political organization. It was not seeking to renew the old form of the reich. On the contrary, it was determined to found its reich this time on justice and freedom.

Nevertheless, the moment an American ponders the significance of the word "nation," which has supplanted "union" in popular usage, and asks himself whether this word really implies nothing more to him than the American people organized politically, he is tempted to suspect that the present reich is something more than the German people organized politically. He will be quite right in so doing. For, in a very subtle sense, the reich does signify more to a German (just as the nation now signifies more to an American) than the political community. This subtle distinction between political and national community was responsible for the division of the German Constitution into two great parts.

The constitution of August 11, 1919 has the general caption: *Die Verfassung des Deutschen Reichs* (the Constitution of the German Reich). It contains one hundred and eighty-one articles, the last sixteen of which (with the exception of Article 181, which is the enacting article) are merely transitional ordinances intended to bridge the gap between the provisional order and the new permanent order. The main body of the constitution contains, therefore, one hundred and sixty-five articles, under two great

THE NEW POLITICAL KULTUR

headings. Part I, consisting of one hundred and eight articles, bears the caption *Aufbau und Aufgaben des Reichs* (Structure and Functions of the Reich). Part II (Articles 109-165) has the superscription *Grundrechte und Grundpflichten der Deutschen* (Fundamental Rights and Duties of Germans).

Part II is not directly concerned with political, or, properly speaking, even with civic rights and duties. Its purpose is to outline that realm of individual and community life in which political government can have no competency or, better stated, has no competency under Part I. In carrying out this purpose it attempts to codify general principles of the individual's human rights and social duties in so far as the evolution of human society permits their definition. The principles so codified are not principles of citizenship. They are principles of politically unorganized community life. But in so far as Part II is included in the constitution of the reich, it is evident that the rights and duties therein enumerated are guaranteed to and imposed upon Germans as members of the reich, which is only another way of saying that the reich is conceived of as comprehending more than political realities and more than citizens. Explicitly the reich is the political organization of the German people. Implicitly it is also the human community of the Germans as social and economic individuals.

Though the constitution does not attempt to organ-

DEMOCRATIZING KULTUR

ize the social and the economic activities of the Germans (except in Article 165) and though it confines itself largely to the organization of political government, the principle of limiting the functions of the political state to non-social and non-economic activities is applied as a general rule, though not with discriminating definiteness. Reichstag and ministry, president, reichsrat, and all other organs of political government are debarred from exercising authority in the social or the economic realm—except in co-operation with the duly constituted representatives of the social or the economic community.

Part I covers the structure (organization) and the functions of the reich in seven sections, as follows:

- The Reich and the states (*länder*);
- The Reichstag;
- The President and the Government (ministry) of the reich;
- The Reichsrat (National Council);
- Legislation;
- The Administration of the reich;
- The Judiciary.

The new German constitution deserves a more detailed discussion than can be given to it here, both in its political and in its non-political Parts. The points of chief interest in Part I, (section by section) are these.

THE WEIMAR CONSTITUTION

Section I undertakes to define the relationship of the reich to the states.

As pointed out heretofore, the reich is regarded as the political organization of the whole, undivided people. It is a unitary and not a federal state, deriving its powers from the people at large. On the other hand, each state also derives its powers from the people that constitute it, and not from the reich. In neither case is sovereignty delegated. Nevertheless the reich is the inclusive unit, for which reason the old appellation "states" is changed to "länder" or lands. Consequently the reich has potential authority over the states. In theory the unitary principle prevailed over the federal principle. In practice, however, *i. e.*, in the actual organization of the government, the federal principle was adopted. It is provided, for example (Articles 14 & 15), that, except in purely national affairs, the laws of the reich shall be administered in each state by the duly constituted authorities of the state. This arrangement resembles the method we adopted in the administration of the federal law of selective conscription. Moreover, except in foreign affairs, colonial affairs, citizenship, freedom of domicile, immigration, emigration, extradition, military and naval affairs, coinage, customs and the unity of customs and trade areas, interstate commerce, posts and telegraphs including telephones, every state may

DEMOCRATIZING KULTUR

adopt its own laws and regulations unless the reich does so. But whenever the reich chooses to exercise its authority state laws give way to national laws. The reich is declared to be a republic, but a state may establish any form of government providing it is democratic, *i. e.*, derives its powers from the people of the state under the system of suffrage and proportional representation established for the reich, which is the system that was adopted in the elections for the National Assembly.

Political authority (power to legislate and to enforce legislation) is given to the reich and to the states in the following domains (in addition to the exclusive authority vested in the reich in the domains heretofore enumerated):

Civil and criminal law; judicial procedure; passports and supervision of aliens; poor laws; press, club, and assembly; census and migration of the population, maternity, and provisions for the care of infants, children, and youths; public health, diseases of animals and plants, *etc.*; labor laws, workingmen's and employee's insurance, employment bureaus, *etc.*; professional qualifications and licenses; care of veterans and their dependents; laws governing the disposal of property; socialization of natural resources, industrial enterprises, and the production, distribution and prices of industrial commodities in common use; commerce, weights and measures; paper currency, banking, insurance, and exchanges; the

THE WEIMAR CONSTITUTION

traffic in necessities and luxuries and merchandise in every day demand; trades and mining; shipping, fisheries; railways, inland transportation by water, motor-vehicles (land, water, air), highways for general traffic and defence of the realm; theatres and cinemas; imposts, taxes, revenues (when the reich takes over these, in whole or in part, it must have due regard, and if necessary provide, for a state's needs); general welfare (a provision that may be abused precisely as the same provision in our Constitution has been abused), and public order and safety.

The reich may also amalgamate small states (or these may do so by plebiscite) and partition a large state with the consent of those immediately concerned or, without this consent by a two thirds vote of two thirds of the membership of the reichstag.

The reich has, however, a kind of authority in principle, that is to say, it may lay down through the reichstag certain principles that must be recognized in the organization of other activities of community life. The activities that may be so regulated *indirectly* are grouped as follows:

The rights and duties of religious bodies; schools and universities and scientific publications; the rights of public officials; tenure of land, alienation of land, settlement on land, homesteads, entails, housing, distribution of the population; burials.

But no political government can take over the con-

DEMOCRATIZING KULTUR

trol of any of these activities or legislate *in detail* regarding them.

Now, if one goes carefully over the functions assigned to the government of the reich and the governments of the states, one is struck at once by two facts. They are these:

Except for transportation, posts, telegraphs, *etc.*, and the natural resources, and except for the theoretical power to socialize industrial production and distribution (provisions due to socialistic pressure but, as we shall see, hardly translatable into practice), the economic activities of the people are not a matter of political control or regulation, at least not primarily. The articles that deal with or refer to these activities are not mandatory. They are only permissive, and so far as they are permissive, they are subject to the sweeping provisions of Article 165, which establishes the national economic council and which outlines an economic government and calls for co-operation between it and political government.

The second fact is the freeing of social activities in an extraordinary degree from the control of political government. Public assemblies, the press, theatres, *etc.*, are still subject to control (but censorship is abolished), a fact due largely to the disturbed condition of the country and the desire of the democratic groups to check revolutionary plots of monarchists and communists. Other community activities in the social sphere are no longer governed by the political

THE ORGANS OF GOVERNMENT

agents of the state. This was not the case before the war. Now they are left to govern themselves.

True it is that the principle of confining political government to a sphere of its own is not worked out in the Weimar Constitution as definitely as one might wish. But it is implicit in that document, and we shall yet see how the struggle to make it explicit (or rather more explicit than it is) is transforming political thinking in Germany. In view of the ultimate unity of political, economic, and social life and especially in view of the many factors that tended to emphasize the necessity of furthering this unity, it is surprising that the Weimar constitution makers confined political government to as narrow a realm as they did.

Sections 2, 3, and 4 provide for the organs of government. As under the imperial constitution so under the new constitution, there are three of these. But the order of their importance is reversed. Under the old system the order was: bundesrat, emperor (with the chancellor responsible to him), and reichstag. Under the republican system the reichstag (with the chancellor and his cabinet responsible to it) takes precedence. Next in importance is the president, and the reichsrat follows last.

Comparing the new order with the old in respect to the system of government we need do no more than note its salient features.

DEMOCRATIZING KULTUR

An opportunity is given the people to exercise its reserved sovereignty through the initiative and referendum.

Like the parliament of Great Britain, the German reichstag is the immediate representative of the people. Its members are elected for four years and each member represents the whole people and not merely the district by which he was elected. The number of representatives is not prescribed in the constitution, nor are any other details of representation prescribed, such as the number and size of an election district. This was done in a special election ordinance passed April 27, 1920. The constitution merely declares that representatives must be elected by general, equal, direct, and secret franchise of men and women twenty years of age on the basis of proportional representation and that election day must be on a Sunday or holiday.

The first election, after the adoption of the constitution, was held June 1, 1920. The 35 election districts returned 466 representatives to the national parliament. In three of these districts (East Prussia, Oppeln, Schleswig-Holstein) no new elections were held (by reason of impending partition under the treaty) and they continued to be represented in the reichstag by their members elected to the National Assembly. Under the election law, which applied the principle of proportional representation, the

THE ORGANS OF GOVERNMENT

election returns determined the complexion of the first reichstag as follows:

| | Total vote | Representatives |
|---------------------------------------|------------|-----------------|
| National German People's Party | 3,740,107 | 66 |
| German People's Party | 3,610,198 | 62 |
| Centrists | 3,541,791 | 67 |
| Democrats | 2,202,202 | 45 |
| Social Democrats (Major- ity) | 5,616,164 | 113 |
| Independent Social Demo- crats | 4,896,095 | 81 |
| Communists | 441,793 | 2 |
| Minor Parties (five) | 1,864,030 | 30 |
| Parties polling insufficient votes | 115,982 | |
| | <hr/> | <hr/> |
| Total vote | 26,028,362 | |
| Total eligible voters | 33,016,569 | |
| Total representatives | | 466 |

It is quite worth while noting the effect that the Treaty terms had on a population which went to the polls in February, 1919, looking forward to a treaty based on the "fourteen points" and which was completely disillusioned in June, 1920. The effect shows itself in the loss sustained by the three parties (Centrists, Democrats, and Social Democrats) that were held responsible for the armistice and its consequences, and in the gains of the reactionaries and the

DEMOCRATIZING KULTUR

revolutionary extremists. Further effects of the Treaty on the political alignment of the population will be noted in another connection.

The chancellor and his cabinet are responsible to the reichstag, and can hold office only as long as they retain its confidence. They are known as "the Government." The chancellor is chosen by the president of the reich according to his own best judgment, and selects his cabinet, who are then appointed by the president. Chancellor and cabinet need not be members of the reichstag.

The president, elected for a term of seven years by popular vote, is given powers greater than those of the president of the French Republic, but not as wide as those of the President of the United States. He may be impeached by a two-thirds vote of two-thirds of the reichstag followed by a plebiscite. He may, in his turn, dissolve the reichstag and call for a new election, but he may do so only once on the same issue. He represents the reich in foreign relations, negotiates treaties (subject to ratification by the reichstag), is commander in chief of the military and naval forces, may employ military force to suppress rebellion (either of a state or in a state), but only with the approval of the chancellor; proclaims all laws, and though the veto power is denied him, he may call for a plebiscite on any law passed by the reichstag which he regards as unconstitutional. President, chancellor, and the ministers may be sum-

THE ORGANS OF GOVERNMENT

moned, on petition of one hundred members of the reichstag, before the supreme court to answer charges of violating the constitution or the laws of the land.

The reichsrat is a greatly modified bundesrat. It resembles the latter in that it consists of representatives of the Governments of the several states, and is in this respect not unlike our Senate as originally constituted. Its powers are consultative or advisory. It is constituted almost precisely as was the *staaten-ausschuss* temporarily constituted by the National Assembly, except that Prussia is entitled to no more than two-fifths of the total votes and that one-half of the Prussian delegates must be appointed by the provincial Governments, and not by the central Government, of Prussia. The powers of the reichsrat are advisory in that (contemplated) legislation must first be submitted to it. It has no absolute veto power, except in the matter of the annual budget. The reichstag cannot increase the budget without consent of the reichsrat. It has a qualified veto in that it may call for reconsideration of any law passed by the reichstag. If no agreement is reached between the two bodies the legislation in question does not become law unless it has a two-thirds majority in the reichstag. In either case the president may call for a plebiscite on the legislation thus challenged.

Some of the provisions heretofore mentioned are found in Section 5, which deals with legislative pro-

DEMOCRATIZING KULTUR

cedure, regulates the initiative and referendum, and the introduction of bills by the Government and by members of the reichstag.

Section 6 deals with the administration of those functions of government exclusively reserved to the reich, including the administration of reich laws by the state authorities and the administration of railways, waterways, *etc.*

The final Section of Part I is concerned with the Judiciary. It provides for the usual courts of justice, life tenure of the justices, and their appointment by the proper government authorities. A supreme court is to be established by the reich, which shall also define its duties. The supreme court may interpret the constitutionality of administrative actions (of officials of the reich and of officials of the states and the competency of either). It cannot declare legislation duly passed and proclaimed, to be unconstitutional, as the supreme court of the United States can. For the constitutionality of legislation is questionable in every case by the president and can be tested by a plebiscite. Furthermore the reichstag is the supreme representative of the people and the power is vested in it to amend the constitution by a two-thirds vote of its total membership, providing the reichsrat consents.

The new constitution of Germany has been in force for more than three years. It went into full effect

CRITICISMS OF CONSTITUTION

with the election of the first reichstag, in June 1920.

The constitution attempted to establish a government of, by, and for the German people. No unprejudiced person can for a moment question its democratic character. Nevertheless it has not worked to the satisfaction of a very large minority of the population, possibly of the majority of Germans. That it will be amended in principle is hardly likely except in so far as it carries within itself the germ of that new principle of government to which reference has already been made and which will be discussed later. That it will be amended in some very important details seems, however, more than probable. All we can do at this time is to note the most serious criticisms made of the practical workings of the constitution.

One of the chief causes of dissatisfaction is the centralization of authority in the reich. Like our own constitution makers, those of Weimar were confronted with the perplexing problem of harmonizing national and state sovereignties. We know that our forefathers failed and that it took a great war and the patient hand of time to bring the whole and the parts into that normal adjustment which is our present achievement and our children's birthright. Even so conditions were far more favorable in America than they are in Germany.

The policy adopted by the Weimar Assembly of centralizing legislative and decentralizing administra-

DEMOCRATIZING KULTUR

tive authority might have worked out with little friction in less troubled times. But Germany has been distraught with internal unrest ever since the fall of 1918, and in addition it has been deprived of that freedom without which democratic institutions cannot be efficient. Constant interference by foreign powers, direct and indirect, and the persistence of reactionary and revolutionary extremists have forced the national government all too often to have recourse to its reserved authority and to extend its administrative supervision more widely than was foreseen in 1919. The result has been the recrudescence of separatism and an increasing disregard in certain sections, especially Bavaria, of the reich's authority. Happily the undercurrent of national patriotism has been strong enough to carry the ship of state through the whirlpools. The invasion of the Ruhr and the employment of military pressure by France and Belgium have tended to strengthen the feeling of national unity. Precarious as was the position of the Cuno Government, the form of government established by the constitution regained the respect of the populace at large by reason of the refusal of the authorities to submit to further humiliation.

A second difficulty in the way of efficient government under the new constitution is the great number of political parties and the intensity of partisan politics. Germans have always been prone to mistake political policies for political principles and this

CRITICISMS OF CONSTITUTION

proneness was in no small measure responsible for the tardy realization of national political unity and democratic government. However, it did not, under the old régime, impair the efficacy of government. On the contrary, the multiplicity of political parties made it easier for the chancellor of the reich and the prime ministers of the several states to overcome popular resistance to their legislative and administrative program. But the Bismarckian tactics of playing party against party and resorting to the *bloc* system will not work under the parliamentary system. Not only is it necessary for chancellor or prime minister to retain the confidence of the majority of the reichstag or of the popular chamber of his state, but he can take office only after assuring himself in advance of the support of the majority. Since no one party controls a working majority in the reichstag, the successive Governments of the new reich have of necessity been coalition Governments. Now, the difficulty of forming a strong coalition Government lies in the fact that the parties of the middle (Centrists and Democrats) do not constitute a majority and that a majority can be obtained only by drawing into the coalition a party of the right or one of the left. Chancellor Wirth was forced to obtain the co-operation of the Majority Social Democrats. The German People's Party was definitely opposed to his policy of attempting to fulfill the London ultimatum. Chancellor Cuno, who succeeded him, was obliged

DEMOCRATIZING KULTUR

to forego the support of the re-united Social Democratic parties. The impossibility of fulfilling the terms of the ultimatum and France's announced policy in respect to further so-called military and economic sanctions (occupation of the Ruhr) forced him instead to secure the support of the industrialists, *i.e.* the German People's Party. Strange as it may seem, in the face of the common distress, the Social Democrats and the German People's Party could not be brought to participate in the same Government. A coalition will be possible only when disaster threatens to engulf both industrial employer and industrial employee and even then it will be short lived. It is perhaps not so strange that party politics superficially adjusted for the purpose of forming a Government should continually reassert themselves within a coalition Government and make it very difficult, if not practically impossible, for any Government to take a definite stand in any matter of state or to feel sufficiently strong to carry through administrative reforms.

Despite partisan diversities a strong Government might have been built up if the times had been less abnormal. But conditions are possibly more abnormal in Germany in 1923 than in any other country of Europe, not excepting Russia. No other country is confronted with reparation demands, let alone irrational reparation demands. No other country is industrially disorganized by the military commis-

CONFLICTING DEDUCTIONS

sions and the military forces of a foreign nation. No government of any European nation is so persistently and so magisterially supervised and coerced by foreign governments as is that of Germany. It is contrary to human nature for a people to respect a government so situated, however much they may desire to do so or however little the government may itself be to blame for its weakness. One must have been in personal touch with the situation as it developed during 1921 and 1922 in order to appreciate just how much the policy of interference and supervision by foreign powers had to do with the decadence of political authority in Germany. One must have heard the sigh of relief that went up throughout Germany when the Cuno Government took the stand it did in regard to the French occupation of the Ruhr, in order to comprehend how vital to every government are the moral susceptibilities of a people.

From the generally admitted weakness of the three Governments that have been in power under the constitution (the Fehrenbach, the Wirth, the Cuno, and the Stresemann Governments) two diametrically opposed deductions are drawn. The first is reactionary; the second, though seemingly reactionary and certainly at variance with our American conception of the state, is in a very practical way progressive.

It is asserted, in the first place, by those who have

DEMOCRATIZING KULTUR

a secret admiration of the old régime, that parliamentary government is and must be a failure in a country like Germany, because it provides for no permanent, unpartisan, indivisible representation of the people as such. They argue that the divergent and often conflicting interests of parties and sections can be adjusted to the nation's needs only by a branch of the government that is independent of partisan politics and sectional influences. This, in their judgment, was the true function of the old imperial office. Independent of the bundesrat, independent of the reichstag, and placed beyond party, class, or sectarian strife, the kaiser could (at least in theory) interpret the national will. This function of his office they wish to restore. While the number of those is small who would revive the emperor's authority as a matter of "divine right," there are many who would do so on the basis of popular sovereignty. They would have the emperor derive his power from the people (either as an hereditary monarch or as a president for life) and they would establish the imperial office as a collateral branch of the government. For there is no intention of abolishing the popular branch. The intention is to modify the parliamentary system, in the main, by divorcing the legislative and the administrative branches of government and by empowering the president elected for life (or the hereditary monarch chosen by the people and amenable to the people

CONFLICTING DEDUCTIONS

as such) to introduce legislation through his cabinet (or ministry) and to veto legislation. Or to state the proposition in terms of American politics, to extend the President's term of office for life, transform the present so-called cabinet into an administrative cabinet responsible to the Congress, and to authorize this cabinet to introduce bills in the House or Senate, to speak to these bills, though not to bills introduced by members of either chamber. The annual budget would be brought down by the cabinet, but no member of the cabinet would be entitled to membership or a vote in either the House of Representatives or the Senate.

No one can predict what will or will not happen in a country as distracted as Germany. But it seems hardly probable that any change remotely resembling the change just outlined will ever be brought about. For one reason, it runs counter to the political idealism of the Social Democrats, the Democrats, and a considerable majority of the Centrists. For another reason, it implies the centralization of all government under political auspices and this antagonizes the set purpose of the German People's Party.

At this point the progressive critics of the constitution bring forward their objection to parliamentary government. The force of it will be better understood after we have reviewed the economic and also the social kultur of the new Germany. The political philosophy of the progressives is in principle, of the

DEMOCRATIZING KULTUR

same cloth as that of the reactionaries. For the progressives, too, conceive of the community as the negation of individualism. They differ, however, from the reactionaries in conceiving of the national community as an ideal which is to be achieved through fostering and correlating in every possible way the already existing communities. For this reason they oppose all artificial centralization of government, and insist, for example, that the economic life of the German people must first be organized, step by step, in and according to its essential functions, and brought into organic relationship with the political and social life of the people. Herein, they have the support of the industrialists. Moreover, as we shall see, their proposal is not contrary to the spirit of the constitution. Basing their argument on the famous Article 165, they purpose, in the main, to modify the national economic council, which that Article establishes, by having it represent economic functions rather than economic groups. Their objection to the parliamentary system is, therefore, directed against its exclusively political character and form. They wish the reichstag deprived of jurisdiction over economic affairs and this jurisdiction vested in an economic parliament as a co-ordinate chamber of the government.

One more criticism of the new order must be men-

ADMINISTRATIVE INEFFICIENCY

tioned. It is peculiarly pertinent, for it is directed against administrative inefficiency.

Americans who visit Germany are impressed by the deterioration of municipal, state, and national administration. Naturally this deterioration is felt keenly by Germans. Before the war Germans could point the finger of scorn at us. Today, despite our own glaring deficiencies, we could retaliate if we would. Now, for the ordinary German, who rarely takes time, and is even less frequently inclined, to investigate the true cause of unpalatable facts, the argument runs something like this.

Under the old régime we had a magnificent civil service. Under the new régime our civil service is about as worthless as it can be. It must be the fault of the new régime.

Your German seldom stops to reflect that, with the passing of German bureaucracy and the deterioration of exceptionally serviceable and proficient officials, there also passed away the spirit of subserviency and servility, of arrogance and overlordliness. That is a gain not to be undervalued, the more so since a spirit of genuine helpfulness has taken the place of intolerable disregard of the needs and perplexities of those who had dealings with the former bureaucrats. Yet the same men are in the same offices. And the rub is just there. Willing to serve as self-respecting men and women, they find themselves unable to ren-

DEMOCRATIZING KULTUR

der efficient service. That galls them as well as the public which is looking for service.

We Americans know by sad experience how difficult it is to secure efficient administration in municipal, state, or national affairs. But we know (at least we are vaguely sensible of the fact) that misgovernment is after all our own fault. We get the kind of government we deserve. We no longer look for the coming of "the Golden Age" under democratic auspices. The Germans did entertain some such hope as this in 1918-19. They find it correspondingly difficult to readjust themselves. It is easy for an American to say to himself that administrative inefficiency in Germany is largely due to the internal unrest, the disorganizing effects of the war in all departments of life, and the perpetual interference of foreign governments in the internal affairs of Germany. It is not so easy for a German. Straightway he blames the disorganization of the civil service and the inefficiency of public officials and employees on the new system of government.

The new German constitution is by no means perfect, and it is well that Germans themselves realize this. It is complicated in its political provisions by two compromises. The effort to adjust national and state sovereignties is not apt to prove a success in practice, and the same statement may be made of the attempt to bring about some adjustment between the political, social, and economic orders of life. Never-

ADMINISTRATIVE INEFFICIENCY

theless the constitution gives the German people the chance to work out its own destiny, and the very difficulties that have been placed in the pathway of the new government may prove to be the needed incentive to a more careful and logical treatment of the principles that are implicit in the constitution. The criticism of it by those who still hope for a rejuvenation of their country and its re-entry, as a self-respecting and respected nation, into the family of nations entitles us to cherish the hope that the way will be found to assign to the political, the social, and the economic activities of the German people that measure of self-government and at the same time that ultimate unity of purpose which we in America have achieved in the political realm (and unhappily only in it) in our organization of state and national government. For, if the problem of self-governing political, social, and economic communities as integral parts of the reich or the national community can be brought measurably nearer to a solution, the problem of national and state sovereignty will automatically solve itself. It is, therefore, of peculiar interest to observe in what manner the Weimar Constitution opened up the former problem and to what extent a solution was attempted.

CHAPTER VIII

THE NEW ECONOMIC KULTUR

It would be no difficult task to interpret to the satisfaction of any intelligent reader Germany's new political order had the new constitution contained no more than the provisions of Part I. Most anybody can comprehend readily the structure and the functions of the political government that is set up in the first one hundred and eight articles of that document. But without serious thought nobody can hope to understand the political structure and the political functions of the reich. The difficulty lies, as has been suggested heretofore, in the subtle distinction between the political and the national community. The reich is conceived of as the latter, and of it the political community is only an integral part. The social and the economic community are, however, also integral parts of the reich. The reich is the ideal unit of which these three communities (the political, the social, and the economic) are separate though interdependent and mutually complementary manifestations.

This conception of the reich is implicit and also, to a certain extent, explicit in the constitution.

THE NEW ECONOMIC KULTUR

Part I cannot be understood fully without an understanding of Part II, in which the complementary social and economic provisions are laid down. It is, for example, impossible to define exactly the functions of political government from the provisions of Part I, though one may derive from these provisions the principle of limiting political government to a given sphere. Just how extensive this sphere is does not appear. It does not even appear what the precise character of the sphere is.

The difficulty of the problem that confronts us as we undertake to discover the character and scope of Germany's new economic kultur, and the precise nature of this problem will be appreciated by those who have tried to explain to the lay mind the doctrine of the Trinity, of the Three Persons in One. The reich, if one may resort to theological terminology, is a trinity. The political, the social, and the economic community are three characteristic manifestations of it.

It is a bit startling to be told that politics do after all have some connection with ideas and that political philosophy is sometimes obliged to reckon with metaphysical realities. But if we were a little more conversant with the arguments that were put forward by our own forefathers and constitution makers (arguments that involved such abstruse and metaphysical conceptions as sovereignty, *the* people, etc.), we might be less prone to smile at the German con-

DEMOCRATIZING KULTUR

stitution makers of 1919 and their philosophical problem. They did not solve it. Had they done so they would have rendered a service to humanity the glory of which would irradiate the now meaningless tragedy of the war. But they did take the problem out of the realm of theory, and by attempting a partial solution in the realm of practical realities they challenged the smug prophets of an eternal yesterday and heartened the discouraged prophets of an ever new to-morrow.

Naturally no clean-cut definitions of the three complementary functions of the reich or national community were formulated at Weimar. Not only were there those inevitable twilight zones where these functions merge imperceptibly but there were also inherited and conventional preconceptions from which it was difficult to free the mind. Even more than Americans, Germans conceived of community life in terms of politics. We do so despite a constitution that restricted the political state to very definite and rather narrow limits. In Germany, the political state was absolute and all public activities naturally were classed as political. In all collective efforts political paternalism was the normal method of procedure. One is, therefore, less surprised at the indefiniteness of the Weimar constitution, than fascinated by its attempt to distinguish between the political, the social, and the economic rights and duties of the Germans.

GOVERNMENT

It goes almost without saying that the political articles of the constitution are more definite than the social or even the economic articles. Past experience counted. To segregate those government activities that were unmistakably political from the great mass of activities heretofore carried on, or supervised by, the governments of the old reich and states, was no very serious problem. The serious problem arose when the Social Democrats sought to substitute a social state in place of the old political state and to accord to this state supreme or superior powers. This demand confused the issue, and led to a compromise. Powers of socialization were given the politically organized state (reich or länder) which were admittedly economic (see Article 7). These powers are merely concessive; they are not obligatory. They can be invoked only in co-operation with the national economic council. Still there can be no question that purely economic activities are thereby exposed to political influences.

Socialization called for the centralization of all government. The Social Democrats were adversaries of political absolutism, but not because it was absolutism. Absolutism provided it were social, they approved of quite as strongly as the advocates of the old régime preferred absolutism provided it were political. Wedged in between these two extremes, the parties of the middle (themselves not able to distinguish consistently between political, social,

DEMOCRATIZING KULTUR

and economic functions) agreed to the following compromise.

In theory, the function of the reich's political government was restricted to a definite range of activities. (these were enumerated in Article 6.) It was not to be regarded as *the* government of the reich, but only as one of the three component governments.

In practice, however, there was also assigned to the political government that supervisory and harmonizing function which the ultimate unity of all government called for.

In effect, then, the compromise arrived at was precisely of the same character as the compromise that was reached between national and state sovereignty.

There is little evidence that the compromise resulted from definitely conflicting theories of government. It was one of practical politics. The underlying principle was not consciously entertained, though it can be derived from the details of the compromise.

These details amount to this:

To the political government of the reich was conceded the authority to take over the railways and to control transportation; to socialize industrial production and distribution; and also to lay down principles (and only principles) which must be applied in the organization of the self-governing public insti-

GOVERNMENT

tutions of social life. A similar compromise was effected in the governments of the states.

But, and this is supremely important, the powers over the economic affairs of the people were not vested in the political government (either of the reich or of the states) unreservedly. For in exercising its delegated economic function political government must co-operate with those economic authorities which are constituted by the last article of the constitution. Accordingly the national economic council has, in principle, the same check on, and the same consultative relationship to, the reichstag and the national Government, as the reichsrat. The ideal arrangement would have been to define the functions of political, social, and economic governments, and having done so to define the function of the national government as the co-ordination of the foregoing. Under the circumstances, this was impossible.

A definition of the "political," the "social," and the "economic" community would be in order at this point. It is not to be found in the Weimar Constitution, for, as already indicated, the German constitution makers did not approach their task with any preconceived notions as to the scope of these different communities. Nevertheless, as one checks up the provisions of Part II against those of Part I, and the provisions of Section 5 of Part II against those (especially) of Sections 3 and 4 of

DEMOCRATIZING KULTUR

Part II, one does arrive at a very fair notion of the critical principle that guided, often unconsciously, the deliberations and the decisions of the National Assembly. The discussion of this principle must naturally be reserved until Part II has been subjected to closer analysis.

The articles of the constitution that deal with the German people's economic activities are grouped under the caption *Wirtschaftsleben* (Economic Life), and constitute Section 5 of Part II, Articles 151-165.

The first article of the section serves as a kind of preamble, and reads as follows:

"The organization of economic life must be in accord with the principles of justice to the end that an existence worthy of man may be assured to all.

Coercive laws are permissible only for the attainment of endangered rights or in the service of over-riding requirements of the commonweal.

The freedom of commerce (*handel*) and of the trades (*gewerbe*) under the laws of the reich is guaranteed."

It will be noted that the relationship of employer and employee is here assigned to the economic realm. It is further regulated in Article 165. Moreover, the regulation of "business" is taken out of politics so far as that was possible under the compromise mentioned above. No state government, but only the reich has power to pass regulative laws. Here, too, Article 165 undertakes to be more definite.

ORGANIZATION OF LABOR

Articles 152-156 deal with the rights of private property (which is guaranteed), with eminent domain, *etc.* They contain nothing new.

The subsequent articles are concerned with the rights of labor and the rights in the products of labor, physical and mental (patents, copyright, *etc.*). Once more Article 165 supplies important details.

Article 165 is, therefore, the culminating article of the economic section of the constitution. A reasonable understanding of it presupposes at least some general knowledge of the organization of German "labor" and industry prior to its adoption.

The extraordinary effectiveness of German industry in the years before the war was due in great part to its compact and authoritative organization. Passing by, for the moment, the various methods of combining industrial enterprises, such as the cartels, the trusts, the concerns, *etc.*, and confining ourselves to the overshadowing organizations, we discover that industry, employing the word in a rather wide sense, was organized in the form and with the power of *public* bodies. The *handelskammern* (chambers of commerce), the *handwerkskammern* (chambers of trades or small manufacturers), and the *landwirtschaftskammern* (chambers of agriculture) operated under public charters. They were not private organizations or corporations. Their powers were analogous to those of a stock exchange or a bar association.

DEMOCRATIZING KULTUR

Every industrial city had its chamber of commerce and frequently its chamber of trades. Every agricultural section had its chamber of agriculture. Sometimes cities or sections combined to establish a united chamber. Every industrial district or region had its district or regional chambers of commerce, trades, and agriculture. The nation had its national chambers. For example: the United Chamber of Commerce of Essen-Dortmund-Duisburg, important though it was, was overshadowed by the Rhenish-Westphalian Chamber of Commerce, and this in turn by the National Union of German Industry.

The chambers determined the industrial or the agricultural policies of their localities, their districts or regions, and finally of the nation. They represented, however, only the employer class, and in this capacity they were the organizations of capital with which labor had to reckon, and reckon officially, in the struggle over wages, working hours, and working conditions.

In the other province of industry, that of labor, the earliest organizations date back to 1868. At that time labor had already entered the field of politics under the Lassalle-Marx banner. But the first industrial labor organizations were due to two labor politicians who did not subscribe to the doctrine of socialism. Their plan was worked out in the Hirsch-Duncker shop unions (*gewerkvereine*) bearing the names of the founders, which to this day constitute

ORGANIZATION OF LABOR

the third largest group of labor unions. As the name implies, these unions are not trade unions. The principle adopted was that of collective bargaining between the employees of a shop and their employer. It is the principle of which the chairman of the United States Steel Corporation (Mr. Gary) is the chief exponent in America. These unions are federated as the *gewerkschaftsbund*, GB for short.

In 1868, the so-called free labor unions (*freie gewerkschaften*) were also inaugurated. They were styled "free" to indicate their non-political character, which meant that membership did not imply acceptance of the socialist doctrine or political partisanship. They grew slowly but steadily, and though the majority of their members joined the Social Democratic party, still the program of the free labor unions has remained distinctly non-political. Prior to the war, the unions increased rapidly in membership, and achieved a compact and powerful organization under the leadership of Legien. Since the war the membership has grown with leaps and bounds. In 1922 it numbered nearly ten million workers.

The first so-called Christian labor unions (*christliche gewerkschaften*) were organized, in 1894, by mine workers of western Germany, and spread in rapid succession to the other trades. They are non-confessional, but profess to seek the advancement of

DEMOCRATIZING KULTUR

labor on the principles of Christianity. They are the second largest group of labor unions.

Three other important groups must be mentioned, namely the union of metal workers (*metallarbeiterverband*), one of the strongest and most intelligent of all the German labor unions; the union of government employees (*staatsarbeiterverband*); and the various unions of classified or salaried employees *i. e.* technical staff, clerks, etc. (*angestelltenverbände*).

In 1919, the free labor unions, the Christian labor unions, the unions of government employees, and some of the unions of salaried employees, were federated as the General Federation of German Labor Unions (*Allgemeiner Deutscher Gewerkschaftsbund*, commonly referred to as the ADGB). By far the greater number of the unions of salaried employees refused to join the ADGB, and formed the Association of Free Employees (*Arbeitsgemeinschaft freier Angestelltenverbände*, always referred to as the Afa). The internal structure of these great labour federations is similar to that of the American Federation of Labor. Affiliated (but not federated) with the ADGB are the metal workers unions, rather more closely than the Brotherhoods of Railway Employees are affiliated with the A.F.L.

The number of industrial workers alone thus brought together in the ADGB and its affiliated organizations was approximately twelve million, in 1920.

CAPITAL AND LABOR

Prior to the adoption of the new constitution, these labor organizations had legal status, but not the status of public bodies. They were, therefore, not on a parity with the employers organizations. This disparity was remedied by the constitution. Labor organizations are now public bodies, with the same powers as the great chambers of commerce, of trades, and of agriculture.

In Germany as elsewhere "capital" and "labor" were regarded as irreconcilable adversaries. The Marxian doctrine, which was subscribed to by the vast majority of workers, though not in its communistic and revolutionary dogmas, intensified the antagonism between the "sellers" and the "buyers" of labor or, to use the German terms, *arbeitnehmer* and *arbeitgeber*. This notion of the incompatibility of the two great factors in production was somewhat weakened in the last years of the war, and the thought that both groups must work together for the good of the national group found expression in the so-called Patriotic Service Law, of December 5, 1916. Under this law conciliation boards were established, consisting of equal representation of the employer and the employee classes, with a disinterested chairman, for the adjustment of disputes. The boards were, however, not obligatory.

The principle of the parity of capital and labor was emphasized during the revolution, and the labor unions demanded obligatory councils in all shops

DEMOCRATIZING KULTUR

employing twenty or more hands, the members of the councils (all workers) to be elected by direct and secret ballot of the adult workers. This demand was met by the ordinance of the Provisional Government, issued December 23, 1918, which provided for the obligatory establishment of the councils and for joint co-operation between them and employers. The duty was imposed on the councils to see to it that the wage tariffs, working hours, and working conditions arranged between the labor unions and the employer organizations (the various chambers mentioned above) were not violated. The councils were, therefore, administrative bodies. They could intervene to fix wage scales, working hours, *etc.*, only in those shops where no agreements were in force.

Out of the voluntary boards of conciliation and the subsequent obligatory councils in joint conference with employers, there evolved the so-called *arbeitsgemeinschaften* (work-communities), joint boards of employers and employees the purpose of which was to approach the problem of capital and labor or of employer and employee from the angle of the mutual interest of both parties. These boards were wholly voluntary, but proved so effective that they were built up precisely as the chambers and the unions were built up. Local boards came into existence; then regional or district boards; and finally a national board. They were extra-legal bodies, with no other backing than the moral force of a great eco-

ARTICLE 165

conomic principle. Yet it was these boards that undertook to grapple with the truly gigantic problem of adjusting the wage of German workers to a relentlessly depreciating currency. Had it not been for their patient and energetic labors industrial chaos would have reigned in Germany ere this.

These are some of the most important developments in Germany's economic life on which Article 165 was based and which were constitutionally validated in its first paragraph. The paragraph reads as follows:

"It is the mission of workers and employees (*angestellte*) to co-operate, on the basis of equal rights, jointly with employers (*unternehmer*, i. e., owners, operators, *entrepreneurs*) in the regulation of wage- and work-conditions and also in the whole economic development of productive energies. Their respective organizations and agreements are recognized."

The parity of productive labor and productive capital and of their respective organizations is established; employers and employees are equally and jointly the regulators of wage and all work conditions; and they are equally and jointly responsible for efficient production. The worker's councils are not given political standing (which was the demand of the revolutionists), much less are they given economic control (which was the demand of the commu-

DEMOCRATIZING KULTUR

nists). They are accorded economic parity with the employer and this only in respect to wages and working conditions, not in management. But the principle is recognized that in the development of the *whole* economic field labor and capital are co-partners.

To bring out the distinction a little more clearly it may be desirable to quote from the argument made by Dr. Sinzheimer, who was the Committee's spokesman when Article 165 came up for discussion before the National Assembly. He said, speaking of the distinction between the workers' councils and the economic councils (to which we shall refer immediately):

"In economic life there is antagonism and community. The antagonism is between capital and labor. Therefore, just as the interests of capital are already represented, as of public right, in the chambers of commerce, *etc.*, so, on the other hand, must labor, as of public right, have its particular representation. . . . This representative organ is the workers' council. . . . It represents only one set of interests and its aim is to increase and to render effective labor's general influence in a business way. But there is in economic life not only the oppositeness of capital and labor, there is also a community. This community rests on the employers' and the employees' interest in production. In contradistinction to the workers' councils, the economic councils have the mission to emphasize the common ends of production in which employers as well as employees are in-

ARTICLE 165

terested. These councils serve the interests of production, and must call for the co-operation of all classes interested in production, in order to increase productiveness, decrease the cost of production, and regulate production as far as possible in the interests of society."

On this general principle of conflicting and mutual interests the constitution provided for an economic government of the people.

It made shop councils obligatory, but left the details to be worked out in a special law. The bill which elaborated the organization of these councils was introduced into the National Assembly, on August 21, 1919, after the constitution had been adopted and passed February 4, 1920. It was the result of a series of conferences between representatives of the afore-mentioned chambers and labor unions. Too intricate to be discussed here in detail, it defined the manner of constituting the councils; their specific functions, jurisdiction, *etc.* Shop councils were made obligatory in all undertakings or enterprises engaging twenty or more workers (or employees); and in shops or undertakings employing less than twenty but not less than five persons, a shop overseer (chosen by the employees) was called for.

Article 165 further ordained that there should be established workers' district councils and a workers' national council. Here, too, the problem proved too intricate to be taken up by the National Assembly

DEMOCRATIZING KULTUR

in detail, and was left to be worked out by the permanent government of the reich. However, certain principles were laid down. They were these:

Workers' district councils are to be established for districts that are economic units. These councils are to co-operate in the development of the economic efficiency of the whole district. The workers' national council is to co-operate in the advancement of the economic welfare of the whole nation.

For the purpose of effecting this co-operation, it is further provided that there shall be established economic district councils and a national economic council. In these, the afore-said workers' councils meet with the representatives of the employers and the representatives of the public at large (either of the district or of the nation, as the case may be). Representation in the economic councils is to be so arranged that all important callings are represented according to their economic importance. The economic councils are also authorized to co-operate in socialization measures.

The national economic council is specifically empowered to pass on all socio- and economico-political bills before they are submitted to the reichstag, and may propose to the Government of the reich bills of this character. If the Government refuses its assent, the national economic council may itself submit them to the reichstag, and delegate one of its members to advocate their passage.

DEFECTS OF THE NEW SYSTEM

The National Assembly did not legislate in respect to the district economic councils or the national economic council. Power to do so was, however, vested in the reich, and exclusively in it. A provisional national economic council was organized by the ordinance of May 4, 1920. In its membership the following callings are represented according to their functional and not according to their numerical importance;

Agriculture and forestry, 68; horticulture and fishery, 6; industry, 68; commerce, banking, insurance, 44; transportation and public utilities, 34; trades (craft-industry) 30; consuming public 30; civil service and independent professions, 16; experts in the economic life of the various sections of the country, 12; experts in national economy, chosen by the national Government, 12. Total 326.

It is interesting to note that the members of this provisional national economic council were appointed by the Government on recommendation of an unofficial body, namely the General German Work-Community (*Allgemeine Deutsche Arbeitsgemeinschaft*), heretofore referred to as the national board of employers and employees that evolved out of the local and district boards of conciliation.

It is not possible to say how well the economic government proposed by the constitution will work out in practice or whether it will work at all. At present the scheme is operating only in part. The

DEMOCRATIZING KULTUR

workers' councils have been established permanently, and the national economic council provisionally. There have not yet been established by law either the workers' district councils and the workers' national council, or the economic district councils. The provisional character of the national economic council is also only a partial realization of the purpose of the constitution, because this council was to consist of the representatives of labor (the workers' national council) as well as the representatives of capital and the interested public. Indirectly the representation of labor is provided for through the appointment of the members of the national economic council on nomination by the General German Work-Community. Until, however, the whole scheme as outlined by the constitution has been put in operation, it is manifestly unreasonable to expect the workers' councils to function satisfactorily. It is equally unreasonable to declare the whole scheme unpracticable simply because the workers' councils have not fulfilled expectations.

These councils are overburdened with problems. In the absence of workers' district councils they are naturally called upon to adjust in every individual shop difficulties that pertain to whole branches of industry or to a whole industrial district and that might be settled once for all by a ruling of a district council. But aside from the incompleteness of the whole system, two distinct difficulties have arisen

DEFECTS OF THE NEW SYSTEM

that are more or less inherent in the system of workers' councils.

In the first place, membership in a workers' council (and still more so the position of a work overseer in establishments of less than twenty workers, etc.) entails duties that few workers are by nature fitted to assume and that most workers prefer to avoid. For it is the duty of the workers' council (or the work overseer) not only to hold the employer to the fulfilment of his obligations toward his employees, but also to require faithful work of fellow workers. Council or overseer is charged with disciplinary authority. Few care to incur the odium that usually results, and it has become increasingly difficult to find men or women willing to serve on the workers' councils, and almost impossible to induce any worker to serve as a work overseer. In many of the smaller plants the law is becoming a dead letter, even though employers much prefer that employees should do their own disciplining.

In the second place, the system of shop councils contributes very materially to the cost of production. Whether it has increased production sufficiently to offset the increased cost, is an open question. At any rate, it must be confessed that many hours of productive labor are transformed into hours of unproductive labor in consequence of the demands that the system makes on the time of the members of the workers' councils and also of employers. Exact

DEMOCRATIZING KULTUR

statistics are not available giving the plants, shops, enterprises, etc., in which workers' councils are obligatory under the law. In 1907, they numbered 81,549. The number is, in all likelihood, about 100,000 to-day. Taking the figures of 1907 as our basis of calculation and applying the scale of representation laid down in the law, the workers' councils interfere, more or less, with the productive labor of at least 375,000 workers. Employers deprecate a waste of this kind, the more so since the aftermath of the war includes an increase of nearly 10 per cent in labor that is unproductive materially.

The problem of drafting the law that should put into effect the whole system of councils outlined by Article 165, was turned over to the provisional national economic council. Committees and subcommittees have wrestled with it for over two years, and unless the new difficulties created by the occupation of the Ruhr prove insurmountable, legislation will be brought down in the near future.

Some of the vexing questions that had to be answered by the committees were these.

How shall the workers' district councils and the workers' national council be constituted? Shall the district councils consist of delegates chosen by groups of local councils and the workers' national council be chosen by the district councils (a proposal favored by some, but smacking too much of sovietism)? Or shall the district councils be chosen directly by the

UNSOLVED PROBLEMS

workers of a district and the national council by workers of the nation at large? If the latter plan is adopted, how shall the principle of proportional representation be applied? Shall the district councils be constituted on the basis of craft or trade representation, or shall they be constituted on the basis of industrial representation? That is to say, shall these councils consist of representatives of the trade unions (miners, metal workers, carpenters, weavers, etc.) or shall their members represent industrial functions such as the work in mines, in steel mills, in machine shops, in textile mills, in agricultural establishments, etc., regardless of craft or trade?

A further difficulty was found in the definition of the powers of the workers' district councils and the workers' national council. In how far and in what way should these powers exclude or override the powers of the shop councils? It is the old question of the relation of the parts to the whole.

Another complication presented itself in the delimitation of the districts. Here the problem of organizing the workers' district councils was on all fours with that of organizing the economic district councils. The question had to be answered, what shall constitute an economic district? For example: Shall the Ruhr district be treated as an economic unit or shall the larger Rhenish-Westphalian district be the unit for the purpose of organizing the councils?

DEMOCRATIZING KULTUR

Manifestly the question was not easy to answer, especially since the answer was bound to hinge very largely on the relative importance assigned to industrial production and to industrial distribution.

Nor were these the only questions to be considered in the organization of the district economic councils and the national economic council. Given a satisfactory settlement of the representation of labor, just how were the employing classes to be represented? It was fairly well settled that labor would be represented by the workers' district council in the district economic council and by the workers' national council in the national economic council. But should capital be represented in the district economic councils by representatives chosen by the chambers of commerce, trades, and agriculture of each district, and in the national economic council by representatives of the national chambers? Or should capital's quota of representation be chosen by some new public bodies? Should not the existing chambers be discontinued and new chambers be organized in each of which a definite function of industry would be represented? The latter method seemed the logical one to adopt if the organization of the workers' district councils and the workers' national council were based on industrial functions rather than on trade unions.

Furthermore, how should the national economic council be constituted on its non-labor side? On what basis should the interested public be repre-

UNSOLVED PROBLEMS

sented? And how could the membership of the district economic councils and especially of the national economic council be restricted in numbers so that it would be small enough and yet representative enough to be efficient in a "business" way?

Lastly, just what should be the functions of these economic bodies? In what relationship should they stand to each other? Should their functions be purely legislative? Or should they also be administrative? In view of the complications that might arise both between the jurisdiction of the district economic councils and the jurisdiction of the national economic council, and still more between the jurisdiction of these economic councils and the jurisdiction of the national (political) government and the state (political) governments, the question of administration was of no small delicacy. In the case of the national economic council, its affirmative answer meant the establishment of an economic ministry responsible to this council, just as the national Government (chancellor and cabinet) were responsible to the reichstag. That such a ministry as this will be created seems not unlikely.

It will be seen that the problem which Article 165 projected into the realm of practical politics was as intricate as it was delicate. If one reflects that a very large share of all legislation is economic (a recent investigation of the pre-war legislation passed by the reichstag placed this share at about 80 per

DEMOCRATIZING KULTUR

cent), one has no little reason for regarding the article in question as a venture in economic government quite as epoch making as the Constitution of the United States was in the realm of political government.

But great as the difficulties are that confront those charged with the practical solution of the problem, the determination to overcome them is even greater. Germans are outraged by the inadequacy of their economic administration under the new political order. There can be little doubt that in the fulness of time the national economic council will take over all those economic functions (such as the administration of the railways, transportation, telegraphs, telephones, and possibly posts) which are now under the immediate control of political government. The drift of opinion became very evident at the time when the great industrialists of Germany offered to liquidate the reparation payments due in 1922, provided the railways were denationalized and put under private control. The provisional national economic council vetoed the proposal and the arguments against the proposal all indicated that at any rate the administration of the railway system of Germany will be turned over to the permanent national economic council.

Considering the potential power of this council the experiment in economic government should be enlightening. The national economic council will be

VERTICAL TRUSTS

the chamber in which economic legislation will originate, not only because it can propose such legislation to the reichstag, but because the Government can initiate no economic legislation without the councils's advice and consent. If in addition, it is given administrative powers, an evolution will have taken place in government which may revolutionize government in other countries and free us from a goodly share of our present misgovernment.

One cannot close a discussion of Germany's new economic kultur without calling attention to a striking development in the organization of industrial effort. The so-called concern system is not new or a result of the war. Its extraordinary development is both new and a direct result of the war.

Before the war German industry developed three types of organization, namely the cartels, the syndicates, and the trusts. The cartels fixed prices, the syndicates regulated output, the trusts brought industrial enterprises under a common financial control. In each of the three types only industries of the same kind were combined. They were known as horizontal trusts. The co-ordination of industrial production as such regardless of the kind of production involved began shortly before the war. There came into existence a fourth type of industrial combine, known as the concern, notably in the electro-technical and the chemical industries. The *Siemens-*

DEMOCRATIZING KULTUR

Schuckert Konzern, the *Allgemeine Elektrizitäts Gesellschaft* (the general electric company founded by Dr. Rathenau's father), and the great Chemical Trust (dyes, explosives, fertilizers, etc.) were outstanding examples. Their function was to bring into operative combination interrelated industries however different they might be in their specialized production. The principle goes to-day under the name of vertical trust.

It is this type of industrial combine that has developed extraordinarily since the war. Its development is associated the world over with the name of Hugo Stinnes. For in practice, though not in theory, Hugo Stinnes had done more than any other living man to establish the efficiency of the concern system and to justify its existence as a benefit to all. One hears all sorts of weird stories of him and his power. Americans who rather fancy the great trusts established in our country are prone to speak of him as though he were the "boss" of Germany. Nothing can be further from the truth. He is neither an industrial "king" nor a political autocrat. More than any single German employer of labor Hugo Stinnes has stood out for the human rights of the workers. In and out of season he never tires of driving home the doctrine which he regards as the corner stone of Europe's recovery, and that is the doctrine of the workers' equal rights and equal responsibility in production. The communistic element rails at

VERTICAL TRUSTS

him, as naturally it would. The great majority of his own colleagues in the industrial world look askance at him because of his championship of a self-respecting and responsible labor class. He is not a politician, nor is he a rabid nationalist. Next to Dr. Rathenau, who was his close personal friend, though political adversary, no German has devoted himself more sincerely, more unselfishly, and more reasonably to the solution of the tragic problem of Europe than he. In men like him there lies the one hope of sane leadership out of the labyrinth of insane nationalism and equally insane internationalism.

CHAPTER IX

THE NEW SOCIAL KULTUR

No single observer can do exact justice to the social kultur of a foreign people. Even in the case of his own people he can but approximate the truth. Balanced, critical sympathy is scarcely achievable with the best of intentions under normal conditions. Under conditions as abnormal as the present conditions it is well nigh unthinkable. The people of the world are still too near the tragic events of 1914-18, and are still too deeply involved in the consequences of those events to reveal themselves as what they really are. In all too many instances and in all too many aspects their true social kultur is distorted to the vision of an outsider and unhappily to their own vision. Confident indeed must he be of his abilities who regards the social data at his disposal as wholly reliable.

On the other hand, the war's aftermath cannot be gathered into sheaves of peace unless the attempt is made to strip away prejudices and to lay bare the social kultur they incrust. Whoever undertakes the venture must first reckon with his own prejudices.

THE NEW SOCIAL KULTUR

He must also reckon with the prejudices of the people whose social kultur he would characterize. In neither case will the reckoning be wholly successful, and if he be fair to himself and to all concerned he will disclaim finality of judgment. He will do so the more willingly because he will find it extremely difficult to characterize a kultur that is as asymmetrical as Germany's social kultur of the present day. For in its complete lack of symmetry it presents a problem that tantalizes the foreign observer and embitters or depresses most Germans.

Even the most casual scrutiny of social conditions in Germany reveals the indisputable fact that the old social order has vanished. Nothing remotely resembling it is in evidence. In fact, there is no social order. This is not to say that there is social disorder. It simply means that the former social categories have been discarded. Prior to the war German society rose like a huge pyramid, impressive but inert. To-day the pyramid is no more. It is not as though it had been torn asunder and its huge blocks strewn meaninglessly on a social dead-level. It is rather as though the laws of its structural existence had become inoperative and as though that which seemed solid were settling down into some new and unknown form under some unknown law of its own. Germans whose social existences were compressed, so to speak, within one of the blocks of the social structure and who no more questioned its immutability than they

DEMOCRATIZING KULTUR

question the law of gravitation, are the first to call the stranger's attention to the disintegration of historical, traditional, conventional, and legalized forms of society. But they are the last to help him discover the emergence of new forms and the meaning thereof. Yet the stranger senses their presence, and feels that energies have been released in Germany which are remoulding the plastic material of social life.

An otherwise insignificant incident may illustrate why an American notes and feels what millions of Germans seldom feel or note.

It was early morning, in May 1920, when the writer arrived in Cologne on the international express from Brussels, on his way to Berlin. Having occasion to send a telegram, he descended to the waiting room. Here he was informed that the telegraph office was on the platform where the international had pulled in and stood waiting. Hastening back he found the *zugführer* or chief conductor of the train, one time lord of all he surveyed (and he let you know it), in conversation with another former potentate, the station master. Both officials touched their caps when he accosted them and inquired for the telegraph office. The station master pointed some hundred yards down the platform. The stranger thanked them, and started on his way. For the fraction of a second the *zugführer* hesitated then once more touching his cap, he said: "It's a bit difficult to find.

THE NEW SOCIAL KULTUR

Perhaps the gentleman will permit me to show him the way." Chatting amiably, he walked the length of the platform, turned down a dimly lighted hall, into an equally dimly lighted telegraph office, found blanks, pen and ink, and again touching his cap, turned and vanished. Knowing German officials of old, the stranger had his hand in his pocket to do the proper thing. It remained undone.

A trivial incident but an illuminating one. It could not have happened under the old bureaucratic system. In three successive years it has been repeated in spirit many, many times to the personal knowledge of the writer. Government employees harried as they are, underpaid, toiling with the thankless task of rolling up hill an ever slipping stone, inefficient and outraged by their own inefficiency,—desire to be helpful. Ten years ago that desire was unknown to them. Then their duty was to a mythical state and they performed it punctiliously. The public did not concern them. Their interest could be engaged by an humble civilian for a *quid pro quo*; that went without saying. If they served Mr. You they did so from no sense of duty and from no wish to be helpful, but simply for the perquisites. Under the new order (I do not mean social order) helpful service is becoming the rule. Yet the personnel is the same old personnel except in so far as war and time have made their inevitable inroads.

As one recalls a pleasant dream, so one seems to

DEMOCRATIZING KULTUR

recall a similar change in France, in England, in America during the war. The spirit of mutual helpfulness was abroad among us. If it is still among us it requires sharper eyes than most Americans possess to discover it. To find it among the Germans was rather startling until one reflected that they, too, had struggled and suffered during the war in common; that their struggles and suffering, unlike ours, were endured in a common isolation; and that from the common tragedy of the war they passed into a common tragedy of the peace and were ostracized under its ever deepening shadows. A reflection like that explains much. It also raises doubts. And these doubts forbid any such definite characterization of Germany's present social kultur or any such confident anticipation of its progressive evolution as seemed justifiable in the case of Germany's new political and economic kultur.

If France's insane policy toward Germany makes the German people's political and economic progress problematical, the social consequences may be doubly serious. The thrusting of the mailed fist into the inchoate social order may produce social chaos. It may also produce a sudden, passionate stiffening of the social sense in response to the antisocial principle of hate. At any rate, the spirit of mutual helpfulness cannot survive the passing of hope. When hope vanishes, the hope of a common good and the hope of living and achieving in freedom, then the social

THE NEW SOCIAL KULTUR

instinct is doomed. Hope is nearly spent in Germany. If men and women must submit to dictation then they are apt to choose dictation by their own kind, especially if it promises vengeance on those who outrage their national dignity and degrade their humanity. And if vengeance seem inconceivable and the motive of hate shrivel, then what remains but social chaos?

But to return to the incident mentioned above.

A prominent German once remarked in the course of a somewhat lengthy discussion, in which the incident and others like it were mentioned as indicating a new German social ideal akin to our American: "The difficulty with you Americans is your tendency to judge other peoples by absolute standards. . . . I very much fear that America's judgment in the days to come will continue to be influenced by puritanical dogmatism. No longer in the position to object to Germany's political organization, you will insist that the new political organization shall achieve what, in your theory, it ought to achieve. . . . You will probably take particular notice of our social classes, the more so since they contend with each other in the political arena, and you will infer that democracy is a mere sham in Germany, and that certain social groups which you held responsible for the war are still working their will. . . . Possibly the respect in which some of our former military leaders are still held by many of the people will be put forward as

DEMOCRATIZING KULTUR

establishing the survival of the military caste. Possibly the continued existence of junkerdom will be inferred from the fact that we did not confiscate the estates of our landed gentry. Possibly the industrial leadership of a man like Hugo Stinnes will be viewed with alarm, as you Americans phrase it. There are many other possibilities. But is it not well that you should ask yourselves whether democracy may not conceivably work itself out in political, economic, and social forms that are not the duplicates of yours?"

Now, there are even in the present fluctuation of social forms certain currents that are quite definitely marked and therefore indicative of a social purpose. We have similar currents in the social life of America. For some we have cleared the channels. Others we permit to furrow out their own channels. And still others we would dam back or declare non-existent. Let us begin with the last, since it is here that social Germany seems least like social America.

Germans have not done away with the class system, and what is more, they do not intend to do so. For a short time in 1918, the theory of "equality" did seem to be going to the heads of the Germans. But we have seen how the social revolution failed. It failed because, in their hearts, very few Germans believed in the doctrine that "all men are born equal." However much the old class system irked, the class system was the heritage of centuries. Every Ger-

THE NEW CLASS SYSTEM

man was class conscious. One need not go so far as to credit them with a higher degree of honesty or with greater social perspicacity than we possess in America, where we refuse to recognize the existence of social classes despite their existence. The truth of the matter is that the Germans were not capable of "carrying on" socially under any other but the class system. It was fortunate for them that they were not. Otherwise political and economic changes might have been effected only at a sacrifice greater than that paid by France in the eighteenth century and perhaps greater than Russia's in the twentieth century.

The new class system is, however, wholly unlike the old system. By and large, there are only two classes in Germany to-day, namely, the working class and the burgher class. Of course, each class has its sub-divisions, such as the agricultural workers, the industrial workers, the clerks, salesmen, and office employees, the government employees, etc.; or the industrialists, the landed proprietors, the professional men, the merchants, etc. But, and just here is the important difference between the new and the old, the classes are not superimposed upon each other and each class has a definite *raison d'être*. In both respects they resemble the old, historic estates.

It would be going too far to say that the principle of class function has been consciously adopted by the mass of the German people and that it is being lived-

THE NEW CLASS SYSTEM

up to conscientiously. But it certainly is true that the principle is rapidly transforming the whole character of social life. It would have been quite impossible, for example, to write into the constitution the declaration of the parity of labor and capital and of the economic co-responsibility of employer and employee, had not the principle of class function been operative.

The two great functions of the new German class system (perhaps it were more correct to say 'the new German class ideal') are collective efficiency in the employment of intellectual and in the application of physical energies. *Bürgerstand* and *arbeiterstand* are related to each other somewhat as brain and brawn. The former is the social brain, the latter the social brawn.

It will not do to draw sharp lines of cleavage in the social body, any more than brain and brawn can be dissociated categorically in an individual human being. It is not the character of the class that is referred to here, but its social function. This is non-political and non-economic. It is nevertheless basic. Commensurate to its realization in the social order will be the success or the failure of the new political and the new economic order. That it has not yet been realized has already been implied by the statement that no social order exists in Germany. For this reason, political schisms and economic disagreements retard the attainment of efficient government.

EQUIPOLLENCE

The Social Democratic leaders account themselves, and are by others accounted, to be the representatives of the working classes. They are really nothing of the kind, except in a strictly political sense. Socially they belong to the burgher class in as much as they are publicists, political economists, in a word, men of brain rather of brawn. Similarly, the recurrent efforts of the industrial workers to have a voice in management are clearly in contravention of the principle of their class function. But, on the whole, there can be no doubt that the reorganization of social life is proceeding slowly and surely on the two class system.

This evolution is very evident in the relationship of the two classes to each other. It is now not that of master and servant. The badge of the working class is no longer servility. Suggest it to a German and he will smile sourly or derisively, as the case may be. Your former middle class German will make a wry face, and declare that servility has been replaced by arrogance. That, too, will be the foreigner's first impression. Workers, on the other hand, will square their shoulders, and wonder whether the questioner has come out of Noah's ark. Regarded from their point of view, the working class is not the *equal* of the burgher class, nor have they any intention of claiming equality. It is equipollent; that is to say, its function, though not equal, is as important. Regarded from the point of view of those who consti-

DEMOCRATIZING KULTUR

tuted the former middle class, the case is not so clear. Equipollence is granted, but all too often grudgingly. The reasons for this difference are not far to seek. In the one case, there is an advance in social standing, in the other there is at least a relative retrogression. Workers acquire new rights and privileges, middle class folk (not to mention upper class folk) forfeit certain rights and privileges. Happily, the economic situation of the German people, largely responsible as it was for the actual disruption of the old class system, is causing the idea of class function to supersede the idea of class status in the actual reorganization of society.

In Germany, as elsewhere, social status before the war was determined in no small measure by economic status. Heredity counted, but so did wealth. Culture counted, but so did display. That was true within each class; it was also true as between the classes. An example will indicate what has taken place as a result of the war and especially of the depreciation of the currency.

Among the leaders of the middle class were the *regierungsräte* (the chiefs and assistant chiefs of government bureaus). The analogous position in the working class was held by the skilled industrial workers. Before the war the average annual salary of a *regierungsrat* was 6,500 marks and the average annual wage (for a ten hour day) of a skilled industrial worker was 1,800 marks. In September, 1921,

EQUIPOLLENCE

the former received, on the average, a salary of 28,500 marks and the latter an average annual wage (but on the basis of an eight hour day) equivalent to 20,000 marks. Industrial wages were revised regularly, every fortnight, and were made to conform to the rapidly rising index figure of the cost of living. Government salaries could not be adjusted as regularly or as satisfactorily. Consequently the bureaucratic middle class was inexorably impoverished as the mark declined. The entire civil list, and that meant directly or indirectly, pensioners, clergymen, teachers, and all the professions, was affected. Those who had laid by a sum sufficient to maintain them in comfort according to the standards of their class, discovered their capital dwindling to a point where their former ample incomes sufficed for six months, for three months, for a month, a week, a day, and less than a day.

In the face of these conditions men would not be human if they retained the old sense of inferiority or superiority. The working class was better fed, better clothed, and comparatively perhaps better housed in 1920-22 than those who once constituted the middle class.¹ No workingman could feel very humble toward the burgher who was striving desperately, and mostly vainly, to keep up social appear-

¹ This was written before the French occupied the Ruhr. Since February 1923, the economic condition of the working class has become perceptibly worse, but so has that of the middle class.

DEMOCRATIZING KULTUR

ances. And no burgher could well maintain an air of superiority with an ill-fed body and poorly patched clothes.

Unlike the French revolution and the recent Russian revolution, the German revolution did not produce social disorder. German workingmen were not intoxicated by the notion of social equality. They were not so foolish that they arrogated to themselves as a class the function of political, economic, and social *leadership*. This function they calmly left to those whose mental powers and training fitted them for the job. All they demanded was the recognition of their human aspirations and of the dignity of labor. These demands were, however, fundamental and they involved a radical modification of the system of education. They also involved a radical modification of the idea of class.

What lay in the minds of millions of Germans may be summarized as follows:

If the social grouping of men and women were to follow the principle of class function, and particularly if "the dignity of labor" were ever to be something more than a high-sounding phrase, then class consciousness must be synonymous with pride in the individual's function of social service whether that service be essentially manual or mental. The class system must not be a system based on birth, so-called social standing, wealth, or even culture and refinement. There ought to be no reason why persons of

EQUIPOLLENCE

“gentle birth,” wealth, and refinement should not serve the community through manual labor if manual labor be their chief aptitude. And conversely, there should be no reason why persons of lowly birth, without wealth or refinement should not find their appropriate place in the ranks of those who direct and administer manual efforts provided their aptitudes lie in this field. The conditions that determine largely the companionship of leisure hours should not be allowed to determine the function of a person’s social or working hours. The sooner the social order can be reconstructed on the proposition that it is far more satisfying for the individual and far more beneficial to the community for a man or woman to be an efficient worker in some field of manual production than to be inefficient in a field of mental production (business management, a profession, *etc.*), or *vice versa*, the sooner will the German people be in the way of achieving a real community life.

This new theory of class is not one that could have been put forward with much hope of realization in practice at any other time than just such a period as followed the war. Conventional prejudices are not broken down by theories. They are broken down by harsh actualities. It was the tragedy of the war that assigned to German labor, both manual and mental, a new dignity. Even under the most reasonable interpretation of reparations, Germany appeared doomed unless production could be of the highest

DEMOCRATIZING KULTUR

degree of efficiency. As never before the real importance of the workingman was recognized and felt. His calling was exalted, more so even than during the war. Productive leadership also took on a new significance. Both functions stood out as supremely important and as highly patriotic. Dire necessity in thousands upon thousands of individual cases helped to dislodge the old barriers between the existing classes. Middle class folk had to "take service" and join the ranks of the working people or suffer the economic penalty. The country cried out for workers, and so they worked. The most conspicuous sign of the coming of a new social order is the willingness of university students to earn their education. Those who know the ancient traditions of Germany's seats of learning, know that no university student could turn his hand to honest toil without losing caste. It simply was not done. Today German university students, students whose parents would have shuddered in former days at the mere thought of such a thing, incur no more social stigma by undertaking manual labor than their American colleagues. Thousands are doing so and their parents seem to be rather proud of telling what their sons or daughters are doing.

At this point a *caveat* is in order. Under the old social system there were four classes, under the new there are only two. But these two classes by no means correspond as yet to the new idea of class. As

SOCIAL TRANSITION

human groups they are, and must continue for many a year to be, socially undetermined by the two great functions of service. As yet the *arbeiterstand* is not a social class in the new meaning of the word. Similarly, the *bauernstand* (peasants), the *mittelstand* (middle class), and the *adelsstand* (nobility), looked at from the angle of human grouping, continue to be human beings segregated by the old traditions and conventions. No one can associate, for example, with industrial workers, or without close association be witness of such great gatherings as were held throughout the country after the assassination of Dr. Rathenau (July, 1922), and assert honestly that the present working class is in reality much more than a great but compact body of men and women who are animated by the passion to improve their human opportunities (largely economic) and believe that they can do so only under a republican régime and only with the minimum stress on nationalism. They are class-conscious as the proletariat of Germany. Born of working folk, educated in the old *volksschulen*, growing to manhood or womanhood in the humble and segregated communities of working folk, they still see the old social gulf yawning impassibly between them and the cultured and well-to-do. They feel themselves set apart by their lowly birth, lowly education, lowly fortunes, and lowly calling. To depict the situation differently would be a reckless distortion of the truth. Similarly, the

DEMOCRATIZING KULTUR

sense of relative superiority or inferiority, as the case may be, is not obliterated in other social groups. But, though this is true, the changes actually wrought in the old social order are making it possible for the new principle of class to assert itself. The complete disintegration of the middle class and the abolition of the old rights and privileges of the nobility are facts that count heavily against the survival of that kind of class consciousness which prevailed in Germany before the war.

In the preceding discussion the new principle of class was spoken of as though it were a well-defined, authenticated purpose of the German people. It remains to be shown that it is just this and that it is not some vague longing or that peculiarly indefinite something which is frequently referred to as a "social force." It may be quite true, and the present writer would be the last to deny the assertion, that energies are created in and through human community which are not traceable to any single individual source, but which are wholly social. In this sense the new principle of class is a social dynamic in Germany, and is something one realizes intuitively. It is nothing that one can prove by any logical process. In another sense, however, the existence of the principle is provable. It has been enunciated logically by those who were charged with the duty of laying down the principles on which, in their judgment, the German people desired to build up their national community. In

SOCIETY UNDER CONSTITUTION

more than one provision of the new German constitution it was recognized either negatively, as in the abolition of ancient rights and privileges of a class, or more frequently, positively, as in the establishment of, or the effort to establish, the equipollence of classes. Article 165, heretofore discussed, was but one of the applications of the principle.

The articles of the constitution that bear on Germany's social kultur, are found in Sections 1, 2, 3, and 4 of Part II. Their respective captions are: The Individual (*die einzelperson*), Community Life (*das gemeinschaftsleben*), Religion and Religious Societies (*religion und religionsgesellschaften*), and Education and Schools (*bildung und schule*).

Part II of the constitution is concerned, as already pointed out on several occasions, with the non-political rights and duties of Germans either as individual beings or in their social and economic relations, but always as integral units of the national community or the reich in its broadest signification. In so far as the old class system violated the principle of the equal rights and duties of Germans as individuals in political, civic, or civil life, it was swept away by the opening sentence of the first section of Part II, which declares that "all Germans are equal before the law." But the word "law" was susceptible of a broad and of a narrow interpretation.

DEMOCRATIZING KULTUR

Therefore, two specific applications of the principle of equal rights are immediately appended. In the first, all disabilities of sex are removed. Under the German constitution men and women have precisely the same political, civic, and civil rights and duties. In the second, all the rights, privileges, or disabilities heretofore attaching to "class" or "birth" are ordered abolished. Together, these two provisions completely wipe out the old social system. Both are negative applications of the new social principle, and both were necessary before German society could reorganize itself. There is to-day no privileged sex in Germany and no privileged class (nobility).

In Section 2 there is little new unless it be the recognition of the equal rights of fathers and mothers; the abolition of the censorship (though publications may be suppressed under laws providing for the general welfare and public safety); the right of assembly and association, *etc.* regardless of political, religious, or economic views; and the right of government employees to organize. Most of the provisions of this section were already embodied in the statute law of the old empire or the several states. They are now made part of the fundamental law of the reich. The chief tendency or purpose of the whole section was, or is, to curtail the so-called police powers of the state, and to leave the social intercourse of men as free as possible from interference on the part of government.

SOCIETY UNDER CONSTITUTION

Section 3 is most easily explained by the statement that it completely dissociates religion and politics, the church and the state. No supervision of any kind is exercised over religious bodies, private or public. A German may worship how, when, and where he pleases, or he may not worship at all. The only powers left to the state over religious bodies are, first, the power to prohibit religious associations directed toward the subversion of the state or in violation of public morals; and secondly the power to prescribe the conditions that religious bodies must meet before they are given the right to function as "public" institutions. In this respect religious institutions are on precisely the same footing in Germany as in the United States. They are not supported by the state or subsidized by it. Neither are they under the supervision of the *kultusministerium* of any state as was the case in former years. All religious denominations or sects have the same rights, and all (to anticipate) may demand religious instruction for the children of their communicants (or members) in the public schools. Separate or sectarian schools are discontinued. The public schools of Germany are now non-denominational. They are all so-called *simultanschulen*, which means that in every public school all religious beliefs are or may be taught.

In one respect, however, religious societies do differ in their powers from those of America. They may levy taxes on their members, and collect by

DEMOCRATIZING KULTUR

distress proceedings. It is here that the German constitution definitely recognizes the principle of self-government in social life. Churches or denominations, *etc.*, provided they are organized as public bodies, have the full right of internal discipline and the right to oblige their members to contribute to their maintainance. All the constitution stipulates is that taxes must be laid on the basis of each member's assessment by the state. That is to say, religious institutions can levy taxes on their membership only in the ratio of the taxes paid by their members to the state.

The most interesting social provisions of the constitution are perhaps those found in Section 4, of Part II. They deal with education (though the German word *bildung* has a somewhat broader implication, meaning as much as systematic culture) and the schools.

The first important point to be noted is the establishment of a national school system.

Here, again, the social unity of the German people is the fundamental postulate. Prior to the war it was the unity of state communities, and accordingly there existed at that time no national school system. To-day there has come into being a *reichskultusministerium*. However, the powers of the reich in educational matters are confined to the determination, first, of the country's educational policy and, secondly, of the qualifications of educators.

THE NEW EDUCATION

In seeking to unify the educational system, the National Assembly was actuated by a somewhat broader principle than our forefathers. In America, education was for many years scarcely a function of the state. It certainly was not one of the functions that the federating states transferred to the Union or Nation. Conceiving of government as limited to political ends, we built up our public school system in the face of strong and not unjustifiable opposition, and in so doing were obliged to reckon with the wholesomely instinctive aversion of Americans to political supervision or control of their social affairs. The state might establish a compulsory school age, but the state might not dictate *how* an American should educate his children. Public schools might be established, but attendance might not be obligatory. An American remained at liberty to send his children to a private school or to provide them with private instruction in his own home. Even in so far as we did succeed in establishing a public school system, we were obliged to justify the procedure on political grounds. We argued that an educated citizenship was essential to the successful operation of our scheme of government and to the continued welfare of the political community. The gradual integration of the national community is now causing us to feel the need of a national public school system. But even so, we never conceived, nor do we now conceive, of a unitary educational system

DEMOCRATIZING KULTUR

designed to serve primarily the social community. Doubtlessly we think of education as serving the needs of social rather than political beings. But should an American suggest that we systematize education accordingly, he would quickly discover himself in a minority of one.

Conceiving of the reich as the basic community of the people, the Germans approached the problem of public education from the angle of general social values. Nor was this at all a strange proceeding. The one great mission of the National Assembly was to place the artificially constituted community of the German people in the way of self-reorganization. Autocratic development was to be superseded by democratic evolution, and democratic evolution presupposed the existence of the social community. Had the German political community remained intact, it is not likely that the importance of the social or even the economic community would have been felt or recognized as keenly as it was, despite the tragic experiences of the war and the impending tragedy of the peace. Every German based his hopes on the reality of the people's social solidarity, yet every German knew in his heart how precarious it was. To assure its steady, purposeful evolution, the National Assembly undertook to unify the educational system. In the best sense of the word it provided for Germanization through education.

THE NEW EDUCATION

The complex and subtle character of the national social community did not permit of the establishment of a national social council analogous to the national economic council and it became necessary, to intrust the general guidance of the people's educational life to the reichgovernment. But in the absence of a national social council, this government was not given the same powers in educational affairs (or for the matter of that in any of the people's social affairs) that it possesses, by and with the advice and consent of the national economic council, over their economic affairs. The educational policy which is to guide the reichgovernment is laid down in the constitution itself. This policy is to be worked out by the national government through appropriate laws, which are then to be administered by the several states in co-operations with the communes (municipalities and towns).

Many obstacles stood in the way of the execution of the educational policy adopted in the constitution, not the least of which was the growing disorganization of all public finances. When municipal budgets are reduced to a meaningless jumble of figures by a progressively depreciating currency and it becomes necessary to curtail educational facilities, the institution of systematic reforms involving a radical change is not to be thought of. In its educational work, as in nearly all lines of collective endeavour, whether public or private, Germany cannot afford

DEMOCRATIZING KULTUR

to scrap its old plant, but is forced to grind its new flour as best it can in the old and only partially remodeled mills. At any rate, hasty and costly experimentation is impossible. For two years the educational department has been collecting data and studying the situation. Its recommendations when they are made will, no doubt, deserve study. But it is not ready to report, and has not yet organized the educational data at its disposal.

Meanwhile, however, the administration of the schools has been brought into line with the constitutional requirements. Working with the educational departments of the several states the national department has been harmonizing the curricula of the public schools throughout the country, and standardizing the qualifications of the teachers. The communes supply the funds for the payment of teachers, and for the upkeep or erection of buildings, and control the physical means of education. The individual states provide the teachers, and organize and supervise the educational work, in its various grades and forms. In addition certain incidental reforms have been effected, which are referred to in connection with the subsequent brief analysis of the educational provisions of the constitution.

The new educational scheme is based on the theory of two equipollent social classes. The school system is to meet the needs of productive labor and of mental production on the principle of their social parity.

THE NEW EDUCATION

Since the two social classes are theoretically "fluid," and not fixed, and since the children of workers or the children of burghers, as the case may be, are apt to drift into the kind of educational training which was their fathers' or mothers', the whole school system is to be so devised that late transition from one kind of education to the other may be accomplished with the least friction and the minimum loss of time. This part of the program has not yet been worked out.

For some years prior to the war educational reformers agitated in favor of the so-called *einheits-schule*. They demanded a unitary school system in which the schools of different grades and kinds should be organically related to each other as the members of an organism are related to the whole. The constitution avoids employing the term *einheits-schule* as too indefinite. Instead it defines the national educational ideal as follows:

"The public school system is to be built up organically. The systems of secondary and higher education must rest on a primary school (*grundschule*) common to all. The determining consideration in the educational structure shall be the diversity of calling, and for admission to any particular school the criteria shall be the aptitudes and inclinations of the child and not the economic and social station or the religious confession of the parents." (Article 146, paragraph 1)

DEMOCRATIZING KULTUR

The reich, the states, and the communes must provide the means for the children of the less well-to-do to pursue a secondary or higher education whenever they are found to have an aptitude for it.

All private schools are put under state control, and can be established only in *lieu* of public schools, in which case they must comply with the regulations laid down for the public schools and must in no wise discriminate between children of the well-to-do and of the poor. Moreover, they can be established only when there exists in the locality no public school of the religious confession or the weltanschauung to be taught at the private school, or when the private school serves some special pedagogical purpose (Article 147).

Accordingly all private preparatory schools are to be abolished in so far as they are substitutes for public schools. Specialized schools (business, trade, housekeeping, art, *etc.*) are not regarded as substitutes, but are subject to the educational regulations laid down by the several states. This provision of the constitution has been put into effect.

The *grundschule* or primary school for all has likewise been established by law. The legislation was passed by the National Assembly, in the spring of 1920. It is, of course, not final. The *grundschule* embraces the first four primary grades and attendance is obligatory. Just how the educational system will be developed beyond these schools is as yet

LIBERALIZED CONVENTIONS

undecided. The former *gymnasias* continue to function, having forfeited only their lower grades in so far as these overlapped the work of the *grundschule*. The *arbeiterschulen* (schools for the education of manual workers) and the continuation schools are also in operation. Their programs have been somewhat modified in accordance with the new ideal of labor. It is clearly the intention to enrich the curriculum in such a way as to provide the highest degree of mental training through the training of the physical aptitudes. "If labor is to come into its own, as one of the labor leaders put it, labor must be prepared to fulfill its function intelligently. This requirement calls for something more than mere manual dexterity. If the laborer is to honor the function of labor he must be able to honor himself."

One hundred years ago Heinrich Heine poured out his vitriolic wrath on the petty conventions of German society. I very much doubt there is a country in the world where social conventions are more broad-gauged than they are in the New Germany. The great social conventions—such as the family and public sobriety—have been strengthened, if anything. The thousand and one conventions that prescribed or proscribed this or that form of social conduct belong to the dead past. It is really true, strange as it may seem, that woman commands the same respect as man. She is his intellectual and

DEMOCRATIZING KULTUR

social peer. What an American misses is the "note" of chivalry. But that note was conspicuous by its absence in the days when woman's sphere was limited by conventions (if not by law) and when the absence of a chaperon deprived a "mixed" company of all respectability. In the new scheme of things German womanhood shares with German manhood the burdens of life, whatever they be, on equal terms. The great problems of her people—for they are her people now—are her problems quite as much as they are the problems of fathers, husbands, sons, or brothers. That is inevitable and the inevitability of it would be understood at once by all Americans had they a real understanding of the tragedy in which the German people is involved.

One other characteristic of Germany's new social kultur is explained by that same tragedy. Germany's social life is no longer comparable to a stagnant pool, in which miasmic bubbles rise and burst. The catastrophe of the war and the peace seems to have tapped some hidden well-spring, the waters of which rise in and agitate but purify the social pool. Even in those districts where, like in agricultural Bavaria, the old social forms and prejudices still prevail, community life seems now to be dynamic. We Americans are so accustomed to think in terms of "reformation" that it is not always easy to do justice to the real social change in Germany. Bavaria is continually referred to as reactionary, and chiefly for one reason, namely

LIBERALIZED CONVENTIONS

the sincere attachment which Bavarian peasants still have for the patriarchal form of community life. It were time we began to think in terms of "regeneration." The all important and the most hopeful aspect of Germany's new social kultur is its regeneration, and is not its reformation. Precisely for this reason it is difficult to characterize, and is, at the same time, a more trustworthy augury of democracy's final victory than any constitution or any definitely organized social life possibly can be. Social living is no longer perfunctory in Germany. Germans refuse to go through the social motions. At present even the Church must justify itself. During the war it failed to do so, especially the Protestant Church. There are signs that religious worship may become once more the expression of the profoundest social need rather than remain what it was in the days of political, economic, and social ritualism, a conventional gesture.

CHAPTER X

THE GERMAN COMMONWEALTH

Every American schoolboy knows, or should know, that the Constitution of the United States very nearly failed of ratification. The one-time colonists were not prepared to assume, as the drafters of the Constitution were, that the Union was only a political federation and the federal government incapable of exercising aught but political powers. They had known of governments which interfered with their business interests and personal liberties, and they were determined that no government of their making should, by any chance, arrogate to itself like powers. They demanded a bill of rights. The situation was saved by Washington's proposal that the first Congress to assemble under the Constitution should adopt an amendment to the Constitution in line with the popular demand. The Constitution was ratified on this understanding, and the ten original Amendments went into force December 15, 1791.

Since then much has been changed. We are still a self-governing people, even though the ever increasing complexity of modern civilization calls for new government agencies and new government powers.

THE GERMAN COMMONWEALTH

Continuing to conceive of the state and government, as our forefathers necessarily conceived of them under the conditions of their time and clime, we expanded our political state and enlarged the powers of political government almost *pari passu* with the mounting problems of our common existence as a people. Curiously enough we refused consistently to adjust our machinery of government to the new political requirements (both domestic and foreign) of our rapidly growing community. We were less hesitant in dealing with its new economic and social problems. But we dealt with them as though they were political problems pure and simple. The outstanding example was our treatment of the negro problem and it remains the conspicuous example of the penalty a people must pay when it conceives of itself only in terms of politics. As we treated this problem, so we treated other problems. One by one we took our social and our economic difficulties to the seats of political government (municipal, state, and federal), and returned home satisfied that our action was rational. Our confidence has been subjected to some rude shocks, especially in recent years. Not only are the difficulties still with us, often in aggravated form, but new difficulties have arisen to plague us. Overwhelmed by the innumerable alien tasks assigned to it, political government fails to function satisfactorily even in its own proper sphere. Worse still, not one of us is now capable of intelligently under-

DEMOCRATIZING KULTUR

standing the intricately involved mechanism of political government. That sense of individual responsibility is on the wane which alone renders democratic government efficient.

The situation in which we find ourselves is not unique. It is only more marked than in other countries. For until the new German constitution attempted to adapt government to the needs of modern civilization, every people has been content to pour new wine into the old political bottle.

In the early fall of 1918, the German state went out of existence. Germans were free to organize a new state. That was the one blessing the war brought them. We have seen what the old state was and we have analyzed the new organization and its attempt to meet the complex requirements of twentieth century civilization through a tripartite government. There remains one very important point and a difficult one for an American to understand.

In a previous Chapter we had occasion to note the close resemblance between the preamble to the Weimar Constitution and the preamble to the Constitution of the United States. Both preambles establish the doctrine of popular sovereignty and they do so for identical purposes. Nevertheless (and here lies our difficulty in comprehending the significance of the former preamble), the true *tertium comparationis* does not lie in the opening phrases "The German peo-

“REICH” AND “PEOPLE”

ple united in its tribes” and “We, the people of the United States.” The true point of comparison lies in the phrases “We, the people” and “to renew and establish its reich.” This is not to say that “people” and “reich” have the same meaning. Far from it. It does, however, signify this. In the purposeful realization of the new German state the idea “reich” is as dynamically active as the idea “the people” was and still is and must long remain, in the American state. In other words, just as the Constitution framed by our forefathers would have availed us nothing had not their prophetic faith organized community life on an idea yet to become a reality and caused this idea to become dynamic in every individual American, just so the Weimar Constitution (or any other constitution) can and will be a helpful factor in the realization of the New Germany only by reason of the prophetic faith of the men and women who assembled at Weimar. That faith was expressed in the phrase “to renew its reich,” and if it shall become as dynamic as our phrase “the people,” then we may look confidently to the progressive realization of the New Germany.

The reasons for the foregoing statement are somewhat obscure. They are nevertheless cogent.

In the first place, we in America are, and must for many generations continue to be, concerned primarily with “the people.” In this respect our problem is entirely different from the Germans’. Deriving our

DEMOCRATIZING KULTUR

origins certainly from all the Aryan races of the world, we can establish our state only under the ægis of a grandiose assumption and the inspiration of a supreme ideal: "We, the people." Americanization is our great problem. Not the kind of Americanization of which we hear so much and which would make "the people" the creature of established institutions or even of the Constitution; but an Americanization which would bring all those who inhabit our vast domain into mutually sympathetic understanding and through this understanding perpetually vitalize our crescent American community. For as a people we are still in the process of becoming, and it is this process which gives to us our unique place in history, our ever youthful vigour and, in one sense, the power to determine the white man's destiny. Long before the war, a German (von Polenz) characterized America as "the land of the future" and to him as a German the great glory of America and the supreme hope of the Old World was the perpetual *adolescence* of the American people, its progressive evolution, its ceaseless achievement of an ever new self.

And well might a German cognizant as was Polenz of the static character of the German people be impressed by the resistless urge of becoming which characterizes the American people. Usually foreigners measure us by that standard of permanence or of achieved stability which the full maturity

“REICH” AND “PEOPLE”

of their respective peoples supplies. Either they expect us as a people to act as the peoples of Europe can and do act, or they note only the surface indications of our ideal urge, and are inclined to account us a mere aggregation of human beings and, in moments of irritation, a mob. Now, of all the great peoples of Europe there is none of which one may assert with greater justification that “it has arrived” than the German people. Its individuality is determinable. It is written in the history of centuries; revealed in legend and story; glorified in song; transmuted in all those thousand and one facts of social life that are beyond the pale of constitutional and statute law. A German knows what is *das deutsche Volk*.

In one of the earlier Chapters of this book a phrase was quoted from one of the recent writings of a sincere German democrat (Max Weber) and it was a phrase that no American, perhaps no one but a German, could apply to his people. It was a phrase wrung from the heart of one who held the German “people” (the word being used in the German sense) incapable of the bestial arrogance of which it was accused. He spoke of the German people as *ewig* (eternal). He knew what he meant when he employed that adjective and his readers knew. The German people is a self-evident reality for all Germans, and as such a reality it cannot be an inspiring ideal. Americans who do not understand this dif-

DEMOCRATIZING KULTUR

ference between "the people" as an ideal and "the people" as a reality were easily persuaded to discover a sinister meaning in the song "*Deutschland über alles.*" In the mouth of an American that song might have a sinister significance. Coming from the lips of a German it was but the joyous recognition of his people's reality. And so we come to the second of the obscure reasons. It in no wise confutes our American philosophy of the function of "the people."

Century upon century there existed in Central Europe a great people, a people that realized the ideal for which we Americans strive. In all those centuries this self-same people never achieved national unity. At the very most that unity was thrust upon it by a great German, Bismarck. More conscious than most members of the human race of its unitary character, it was the least capable of achieving the corresponding political organization of its community life. For nearly two hundred years prior to the war poetic seers and prophetic thinkers summoned it to emulate the other peoples of Europe and by achieving nationhood to claim its birthright among the peoples of the world. The appeal was made in vain. For over one hundred years the greatest men of Germany complained (and they still complain) that their people is "unpolitical." In the assured consciousness of being a people there lay no incentive to becoming a nation. In that assured consciousness there lies

REICH AS AN IDEAL REALITY,

to-day no incentive to establishing and reforming the nation. It might be abused, as it was abused, by those whose impatience drove them to play on the meaner motives of action, such as vanity and greed, and then it was the slave of its masters, not the mistress of its own destiny. An accomplished fact—and the German people was such a fact—can never become an ideal.

These are the two subtle reasons that determined the rallying cry in the preamble to the new constitution. As our forefathers gave us our rallying cry in "the people," an ideal ever to be striven for, so the national assembly at Weimar gave the Germans their rallying cry in "the reich," an ideal to be cherished and to be striven for in perpetuity, a commonwealth dedicated to freedom and justice, to peace at home and abroad, and to social progress. What is this German Commonwealth?

Our first answer must be precisely that kind of an answer which every sensible American must make to a German when asked "What is the American people?" It is not an actuality. Like the American people it is an ideal reality. In part it is real, in part it is a dynamic idea. It is the ideal integration of the political, the social, and the economic community of the German people. Conscious of this integration Germans can now organize the people's community in accordance with their discrete interests, aspirations and faculties and at the same

DEMOCRATIZING KULTUR

time make this community an effective champion of freedom, justice, peace, and social progress.

Speculation concerning the political, the social, and the economic community as integral forms of the commonwealth is in the air in Germany. One feels its existence. One seldom meets up with a definitely systematic formulation of it. As a rule speculative interest centres on one of the three communities or on the commonwealth. It is also more frequently analytical than synthetic. But if one takes into account the really intense character of this interest, the very considerable literature it has brought forth,¹ and the many societies and clubs it has called into

¹ Some of the most interesting books and pamphlets are:

Ferdinand Tönnies, *Gemeinschaft und Gesellschaft*, 3. ed., Berlin 1920;

Walther Rathenau, *Kritik der dreifachen Revolution*, Berlin 1919, and *Die neue Gesellschaft*, Berlin 1919;

Moeller van den Bruck, *Vaterland und Mutterland*, in the 'Grenzboten,' No. 3, 1920;

Harald von Hoerschelmann, *Person und Gemeinschaft*, Jena 1919;

Johann Heinrich Garde, *Die metapolitischen Grundprobleme der neuen Generation*, in the 'Hochschule,' Nos. 10-12, 1920;

Constantin Frantz, *Deutschland und der Föderalismus*, Helie-rau 1917;

Max Hildebert Boehm, *Körperschaft und Gemeinschaft*, Leipzig 1920;

Otto Leibrock, *Arbeitsgemeinschaft*, Leipzig 1920;

Rudolf Pannwitz, *Deutsche Lehre*, Nürnberg 1920;

Rudolf Steiner's book, recently retranslated into English and published (in America) under the title *The Threefold Commonwealth* also exerted a profound influence in Germany.

REICH AS AN IDEAL REALITY

being,² and then reverts to the new constitution and its political, social, and economic provisions, one arrives at conclusions that may be stated as follows:

First. The German commonwealth is the inclusive community of the people, the perpetually perfecting expression of its personality. It remains always an ideal community and actual organization of it should be effected only when and to the extent that its function defines itself through experience. Its function is not political, not social, and not economic. It is the equation of these three functions. Conscious of his membership in the commonwealth every German co-ordinates his functional activities as a member of the political, social, and economic communities of the people without sacrificing his individuality.

Secondly. The personal life of every German is implicated, but it is not merged, in the common-

² Of the many associations devoted to the problem of the commonwealth and its subsidiary communities, two may be mentioned here on account of their active educational work. The *Nationale Jungkaufmannschaft*, of Hamburg, publishes the periodical *Kultur des Kaufmanns* (edited by Walther Lambach). One of its members, Paul Bröckers, is the author of *Die Arbeitsbewegung* and of *Wertgutgedanken*, both Hamburg 1920. The other association is the *Politisches Kolleg*, of Berlin, under the leadership of Heinrich von Gleichen. It publishes a weekly, *Das Gewissen*, (edited by Eduard Stadtler), and in 1921 published a symposium of the views of its prominent members under the title *Die neue Front*. The organization is nation-wide, has no partisan political program, but seeks, through confer-

DEMOCRATIZING KULTUR

wealth. In his relations to it he enjoys, indeed, even a larger measure of personal liberty than is his (ethically) as a German, i. e. as one of the German people. As a citizen of the commonwealth he owes duties that may be enforced and these duties are kept at a minimum. As a German he owes duties that are not enforceable. They are ethical obligations, but for this reason their range is wider.

Thirdly. As a citizen of the German commonwealth every German has three separate functions, a political, a social, and an economic function. His political function is determined by those interests which all Germans have in common by reason of the fact that they inhabit the same territory. His social function links up with those aspirations which have their source in the common culture of the people. And his economic function engages those productive faculties that are involved in meeting the common material needs of the people. In fulfilling these three functions a German is a member of three separate communities, which are integrated in the commonwealth.

ences, lectures, and publications, and through the organization of subsidiary societies, to bring to a focus the more or less vague ideas of community life. In this it has been so successful that it was able to establish, in 1922, a regular *Hochschule für Nationale Politik*, under the direction of Professor Martin Spahn, who resigned his position at the University of Cologne (political economy) to take charge of the work.

THE TRIUNE REICH

Coming now to the definition of these three communities in their theoretical aspects (for, as heretofore stated, their practical separation was not achieved in the constitution), the determining principles seem fairly discernible.

The political community corresponds to the state as we still understand the state. It is well known that the national state (and of this we are now speaking) is a modern device. Coming into existence since the middle ages it changed the basis of the political community from consanguinity (blood relationship, kinship, race) to territoriality. National communities were organized on the principle of territorial interests, and minor political communities likewise. Our own national, state, and municipal communities are still on this basis. The fact that human beings constitute a community by virtue of inhabiting a given territory which they regard as their common territory, establishes certain definitely common interests and it is these interests and no others that determine the function of the political community and, therefore, its organization. The function of a territorially organized (or a political) community is to insure the peaceful and orderly enjoyment of their common possession by the inhabitants of the territory. Protection against aggression by a foreign foe and protection against aggression by an individual member of the community is the essential function of the

DEMOCRATIZING KULTUR

political state. To this function the German constitution seeks to confine the reich (conceived of as the political community of the Germans).

The social community bears an entirely different aspect. The same Germans constitute it that constitute the political community, but in the social community their relationship to each other is on a completely changed basis. Granted that the social community is nationally confined, the fact remains that territoriality is not its determining principle. The function of the social community is to bring into mesh all those institutions, public and private, that serve to realize the people's various social aspirations, and in or through which their culture comes to expression. In and through the social community there are integrated the intellectual, the religious, the ethical, the aesthetic, the philanthropic aspirations of the people. It does not and should not serve the political community. It serves only the commonwealth and through it the people. Put in the service of the political community it becomes untrue to its great mission, and transforms the political community into the kind of monster every political community became during the war. In turn, education is perverted, religion is perverted, ethics are perverted, and art is perverted. Text books lie; churches proclaim gods whom reverent men must abominate; hate becomes a nobler passion than love; and art prostitutes itself. In the name of political patriotism we

THE TRIUNE REICH

are led to justify social vassalage. Yet the range of personal freedom should nowhere be greater than in the realm of cultural aspirations. Nowhere is it smaller than in that community where social service is the handmaid of political institutions.

Because social service was just this in the years before the war, Germans were "subjects." They were subjects not because their political freedom was restricted. They were subjects because the social community was merged in the political. In this sense we Americans are beginning to be subjects. It will do us no harm to watch the German experiment. Perchance it may indicate to us how we may free our social community from political entanglements.

Matters were made worse in Germany, and are becoming more critical in America, by amalgamation of the newly evolving economic community with the political and, incidentally, the social community. For neither territorial interests nor cultural aspirations characterize the economic community. We were aware of the increasing integration of production long before the war. In the war we learned that it involves the productive faculties of *human beings*. From an abstract and a rather unhuman idea it changed into a concrete and a very human proposition. A supreme need forced upon all the peoples engaged in the war the realization that the common needs are best met when men and women consecrate their productive faculties to the common service. In

DEMOCRATIZING KULTUR

this service they meet regardless of their political interests and social aspirations. Here they stand shoulder to shoulder though in other respects they have little in common. They are the same men and women that constitute the political and the social community, and yet they are not wholly the same. In their economic community their vital relationship is not what it is in either of the other communities. They are fulfilling a third function of their citizenship in the commonwealth, and this function is not political nor is it social. It is economic. Subordinate them, therefore, in the execution of this function, to either political or social demands, and you impair their common efficiency precisely to the extent that you restrict their functional freedom. Unhappily, also, their political and social efficiency is impaired. And if both the social and the economic community fall under the sway of the political, then the tragedy of national egotism impends. There is a natural community of work, a natural pride in the thing produced. It binds men together as few other motives can conjoin them. In the principle of the community of work we discover the antidote to political and social selfishness, and in freeing the economic community from ulterior political and social motives we take the first great step toward recovery from the ravages of the war and toward a peace of understanding.

The political, social, and economic communities

THE TRIUNE REICH

of the German people are functionally distinct and separate. They are, however, reciprocal in their relationship to the commonwealth. They are different functional groupings of the whole body of citizens, and only as each of the three communities fulfills its function conscious of its organic relationship to the commonwealth, only so will it justify itself and justify the commonwealth. In the German commonwealth government *of* the people is a function of the political, government *by* the people a function of the social, and government *for* the people, a function of the economic community. This is the new German ideal of the state. One is strangely reminded of the words of a great American whose memory is enshrined in the thoughts of our British and German brothers:

“It is for us the living, rather, to be here dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion—that we here highly resolve that these dead shall not have died in vain—that this nation, under God, shall have a new birth of freedom—and that government of the people, by the people, for the people, shall not perish from the earth.”

PART III

OBSTRUCTING DEMOCRACY

CHAPTER XI

WHAT HAPPENED TO GERMANY

A famous Russian diplomat recently quoted Elihu Root's remark to the effect that in the place of dynastic ambitions the danger of war is now to be found in popular misunderstandings and resentments, and then declared that governments and their supporters, the bourgeois parties, are now compelled to arouse the popular masses by invoking the elemental passions of hatred and fear and revenge, thereby raising a formidable ghost they will no longer be able to allay and whose slaves they ultimately become.

One cannot look back upon the war, and fail to see the ghost of hatred, fear, and revenge that stalked abroad. Who invoked it or how it was invoked, are not questions that concern us here. The ghost was there. It is still with us. Unhappily it haunts that people most which is in the position to do the greatest harm. It is a very real illusion in France. Every French statesman must reckon with it, and with gusto it is trotted forth by every petty politician of France. It is a computable fact that it has done more economic damage in the last four

OBSTRUCTING DEMOCRACY

years than the four years of actual warfare, and it is to be feared that it is making a mockery of those hopes and aspirations which were the one redeeming feature of the great struggle. The world cannot long continue to maintain even the semblance of economic wellbeing and moral purposefulness under the leadership of ghost dancers. If it be difficult—and who would be of any other opinion!—for the French people to lay the ghost invoked amid the horrors of 1914-18, it should be the American people's privilege to speak the compelling word. The Golden Stars can mean very little to those who argue that France is doing no more to-day than Germany sought to do in 1914. The Golden Stars will be quickly dimmed if the great principle of international righteousness is dishonored by any of the victorious nations.

Many things have happened to Germany, as well as in Germany, since America helped to put the German people at the mercy of their victors. The consequences of the hysterical peace are making themselves painfully felt. It is an ill omen when every year of so-called peace sees the number of those Germans increasing in a geometrical progression who interpret the treaty and France's policy of enforcement as measures deliberately planned to destroy the German nation and to re-establish the Napoleonic sway of French imperialism. A particular case in point is the employment of African troops in garrison-

WHAT HAPPENED TO GERMANY

ing occupied German territory. Devoid of race prejudice even in the matter of sex relations, the French do not and will not take into account the growing resentment which the presence of their African troops arouses in Germany. The Germans, on the other hand, with an Anglo-Saxon's pride in the white man's race, refuse to make allowances for the French disregard of the color line, and construe the presence of these troops in the Rhinelands and the newly occupied territory as a premeditated insult. On either side the national *ego* sees ghosts.

This inability to be truly realistic is responsible for French hysteria and for German sullenness and hate. Clemenceau and his school of thought pride themselves on their political realism. Yet they are the chief ghost dancers in France. They take cognizance only of the incidental happenings in Germany, and close their eyes to the characteristic, and their folly may yet transform the incidental into the characteristic. The incidental happenings tally with their prejudices, and impart the semblance of a present reality to that which must eventually be the result of France's hysterical policy. Granted that their fears are excusable, the fact remains that they are either unable to perceive what is truly characteristic of the new Germany or that they will not credit what they perceive. There is a third judgment which, if sanity shall not prevail, may someday be

OBSTRUCTING DEMOCRACY

the judgment not only of millions of Germans, but also of many millions who stood by France in her hour of trial.

Unfortunately, we of the New World were inclined to invoke our own little ghost and it looked so much like the French ghost that we took this ghost, so to speak, into the family. We, too, dearly like to read about the doings of the "old crowd" in Germany: about a Ludendorff rattling his toy sword, a National People's Party and its monarchical intrigues, a Stinnes and reactionary industrialists; about secret organizations bent on a war of revenge, secret understandings between German and Russian leaders, and the doings of excited professors celebrating the birthday of an exiled king and kaiser in a manner becoming to idiots. Doubtless many of the incidents that are meticulously recorded in our daily press, are true as single incidents. But as incidents they are held to be typical, and being in no wise typical they distort the truth. True it is that the Germans are passing through a struggle for a new and orderly existence the outcome of which no one can foretell, chiefly because no one can foresee whether they will be left free to work out their own salvation. This freedom is the one great need, the imperative requirement of future peace. Unless we can trust the new Germany there is no hope for the reconstruction of Europe and nothing but paralyzing dread of the future.

The previous chapters of this book have been

WHAT HAPPENED TO GERMANY

devoted to an analysis of the New Germany. It remains to give a summary of the obstacles that lie in the pathway of her permanent re-establishment as a democratic nation.

To assert that the reconstruction of Europe and therefore, in a large measure, the peace and prosperity of mankind hinge on Russia and Germany is a commonplace. It is, perhaps, not a commonplace to assert that more than 200 million human beings in Central and Eastern Europe cannot be regarded and treated as the Ishmaelites of the twentieth century for any length of time without dire consequences to the rest of the world. Others are more competent than the present author to speak of the Russian people and their problems. These problems are grave. They are not as fundamental as the Franco-German problem. Their solution depends on the solution of the latter. We get no nearer to a solution if our prejudices remain so blindly fixed that the terms "bolshevik" and "Hun" are deemed ample justification of uncharitableness.

Only an occasional American knows what has happened to Germany. Yet the knowledge of these happenings is indispensable if America is to justify her participation in the war and to keep faith with those whose memory shines in the Golden Stars.

It would require a very large volume to set forth in detail the disastrous effects of the treaty and its attempted enforcement on the economic life of the

OBSTRUCTING DEMOCRACY

German people. To tell the story of Germany's continuously steady decline from the proud position it once held in the economy of nations to the status of an economically as well as financially bankrupt nation, is not the purpose of the following pages, though parts of this story are involved in the narrative. The only purpose is to set forth some of the worst obstacles in the way of economic recovery.

Accustomed as we were to regard Germany as an extraordinarily prosperous country, with an enormous annual increment of wealth, we wonder why the payment of reparations is impossible. Uninformed concerning the vast wealth of which Germany was deprived by the treaty, a considerable percentage of which passed into the hands of some of her victorious enemies in the form of liquid assets, we find it all too easy to charge Germany with bad faith. Well, Germans did not undertake to fulfill the terms of the treaty with enthusiasm, least of all those terms that closed in about them like quicksands. There were plenty of their former enemies to make just such a demand as this, as there were more than enough to insist that the German people must plead guilty to moral turpitude. Peoples do not do that sort of thing, and a people that could forget itself far enough to submit meekly to *any* demand for so-called reparations, otherwise termed indemnities, and to self-incrimination, would hardly be a people whose continued existence would much concern mankind.

LOSS OF NATURAL RESOURCES

What has happened to Germany economically may be inferred, first, from the impairment of her two great natural resources, coal and iron.

Coal and Iron Reserves

Europe's coal reserves, as of 1913, have been referred to in an earlier chapter. We need not repeat the statistics, except merely to point out that, in 1913, Germany possessed (and controlled) 409,975 million metric tons of the European total of 693,162 million metric tons. As a result of the treaty Germany lost 183,887 million metric tons or 45 per cent of her former coal wealth.¹ France's coal wealth, on the other hand, has been doubled, and Poland's has been increased 1,300 per cent. Together they control 34.5 per cent of the European reserves.

Of the estimated iron ore reserves of Europe, Germany held, in 1913, 3,608 million metric tons. Today only 10.5 per cent of those reserves lie within German territory (1,262 million metric tons). In addition Luxemburg, with 2.2 per cent of the European reserves, has been taken out of the German customs union. France has been the chief beneficiary. Before the war, she and her ally, Poland, controlled only 27.4 per cent; today they control 46.9 per cent of the European iron ore reserves (France, 46.7 per cent or 5,630 million metric tons).²

¹ These statements apply, of course, only to "hard" coal.

² Including the recently re-surveyed reserves in Normandy,

OBSTRUCTING DEMOCRACY

Coal and Iron Production

If we look at Germany's coal and iron losses from the angle of annual production, which is perhaps a more important consideration than that of reserves, we are confronted with the following facts:

In 1913 Germany mined slightly more than 190 million metric tons of hard coal; in 1920, somewhat less than 131 million metric tons. Of the latter amount approximately 25 million metric tons were mined in those districts of Upper Silesia which were awarded to Poland in 1921. Since 1920, down to the occupation of the Ruhr district by the French and Belgians, the annual coal production within German territory averaged about 105 million metric tons. Out of this total Germany was obliged to deliver to France, Belgium, and Italy, on reparations account, an annual minimum of 20 million tons (the maximum was 28 million tons). The total annual deliveries were close to the foregoing amount until the occupation of the Ruhr. They varied slightly according to the judgment of the interallied commission. But Germany never had available for her domestic consumption more than 86 million tons in any single year. These 86 million tons were, however, the equivalent of not more than 78 million tons of the pre-war standard (about 72 million tons

France's iron ore reserves now total about 10,000 million metric tons.

LOSS OF NATURAL RESOURCES

according to German estimates). Reparations deliveries required delivery of coal of the highest grade and this requirement necessarily increased the percentage of poor coal in the total employed in domestic consumption. Germany's lignite ("brown" coal) deposits remained unimpaired, and in her desperate need she turned to these in her industries. In how far "brown" coal served as an adequate substitute for hard coal in those industries where it could be employed, we need not discuss. That it could not be used for trading purposes goes without saying. It is, therefore, apparent that the annual loss of over 100 million metric tons of hard coal deprived Germany of her greatest *trading asset*.

In 1913 Germany mined 26.8 per cent of the iron ore mined in Europe. As a result of the treaty this percentage was cut to 6.9 per cent. Considering that Germany produced over 19 million tons of pig iron in 1913 and that, in order to accomplish this, she was obliged (despite the availability of Luxemburg iron ore) to exchange huge quantities of hard coal (over 34 million tons) and coke (over 6 million tons) for imported iron ores (chiefly from Norway, Sweden, and Spain) we can perhaps understand why her production of pig iron in 1921-22 was scarcely one fourth of her pre-war production.

Here, then, were huge values delivered over, principally to France, in reparations, capital values and production values. It is a monstrous piece of decep-

OBSTRUCTING DEMOCRACY

tion to ignore them. It is an equally monstrous piece of international calculation to expect a nation stripped of a goodly portion of its earning capacity to pay to creditor nations annual reparations dividends as great as, if not greater than, its annual increment of wealth before its natural capital was impaired.

Other Losses

In addition to the above stated losses, roughly 50 per cent of her two chief natural resources, Germany suffered the following losses: 65 per cent of her copper, lead, zinc, nickel, and tin; over 90 per cent of her great merchant fleet; her cables and all foreign investments of her nationals (only temporarily, it is to be hoped, in the United States); all her colonies (perhaps not a loss of immediate significance); huge quantities of rolling stock (locomotives, freight cars); privately owned industrial plants in territory recovered by France; millions of acres of her finest agricultural lands (to Poland), which produced the staple foodstuffs for approximately one fourth the population of the rest of Germany; and finally, of course, the inevitable, but enormous depreciation of her soil, industry, transportation, etc., consequent upon the war.

Let us now summarize briefly, and necessarily somewhat roughly, the annual payments that Germany was required to make under the treaty and its

REPARATION DEMANDS

application (London ultimatum and Wiesbaden agreement).

Gold mark values

| | |
|---|------------------|
| Annual fixed reparation payments under the London ultimatum (May, 1921) | .. 2,000,000,000 |
| Annual variable payments under the London ultimatum (26 per cent of the total value of annual exports), <i>circa</i> | .. 1,300,000,000 |
| Annual reparations in kind (one third of the 7 billion total fixed at Wiesbaden) .. | 2,333,000,000 |
| Expenses of the military occupation (not counting the extraordinary expenses of civil administration and not counting the expenses of the various allied commissions of control, <i>circa</i> | .. 1,500,000,000 |

This gives us an annual total deduction from Germany's annual increment of wealth amounting to.. 7,133,000,000

OBSTRUCTING DEMOCRACY

Many minor payments are not included in the foregoing estimate, such as those made under Articles 296, 297, 298 and Annexes of the treaty (private debts owed to Germans by nationals of enemy countries being payable to the governments of the latter countries). Deliveries in kind have also been omitted (coal, wood, nitrates, chemicals), since the annual loss in coal has already been taken into account.

The foregoing total was not appreciably changed by the partial moratorium granted Germany in 1922. In place of two billion gold marks the reparation commission asked for 720 million gold marks in cash and 1,450 million gold marks in kind. This concession relieved Germany of the necessity of buying foreign exchange but, in the end, it changed nothing. Here, then, was a total annual payment imposed on Germany equal to the highest prewar estimate (Helfferich's) of her annual increment of wealth. It was an absurd demand. Its only effect could be to cause every German to ask himself "What's the use?" The thing was patently impossible. Why slave to meet demands and at the end of each year find yourself only deeper in debt (on account of mounting interest charges) than you were at the beginning.

What was evident to every German, even though the statistics were unknown to him, should now be fairly obvious to an unprejudiced observer. Had it been possible for Germany to meet the payments demanded of her under the treaty, even temporarily,

REPARATION DEMANDS

the strain would have broken her. It is extremely doubtful whether she could have stood the strain at the height of her prosperity. Accordingly, Germany was never able to liquidate her treaty debts (except in the original transfer of territory, merchant marine, foreign investments, etc., totaling a property value of about 26,000,000,000 gold marks, and some deliveries in kind). Her huge annual obligations to foreign powers were met chiefly by the sale of promises to pay (currency and treasury notes, etc.) and this sale was made in foreign countries. In so far as gold values went into the treasuries of France, Great Britain, Belgium, Italy, Serbia, etc., they reached these treasuries *via* the pocketbook of private citizens of these countries, of America, and of neutral countries. The treaty started the most gigantic process of "shaving notes" and "kiting checks" that has ever been attempted. The process left Germany's former enemies and many neutrals worse off than no payments at all. In addition it bankrupted Germany.

"Whom the gods would destroy they first drive mad." Is the ancient proverb to be proved true in modern times? Germany's former enemies were inexcusably irrational. With some the folly continued, while others, like Great Britain, soon began to recover sanity. France, in her rashness, walked into the Ruhr district obsessed with the notion that economic laws can be outgeneraled by brute force. The loss her military junket is causing Germany can

OBSTRUCTING DEMOCRACY

hardly be estimated. It runs into the billions of gold marks and, whatever its total be, to that extent it diminishes the reparations Germany will be able to pay. But not only since January 15, 1923 has Germany's capacity to pay been so wilfully impaired that madness seems scarcely the appropriate word to apply to the policies of her enemies. Allied policy toward Germany has been irrational ever since the treaty was signed and ratified by Germany. Unwilling to admit to themselves that Germany could not meet their demands, the allied powers gave the screws an additional twist, and when results were not forthcoming bore down more heavily still. Under the pressure of military and economic sanctions they caused resentment and hate to flow, not reparations payments. It will suffice to record three of the many acts that weakened Germany economically and forced, first, the people and, later (November, 1922), the Government to adopt a policy of passive resistance.

The Loss of Upper Silesia

Germany agreed to the London ultimatum (May, 1921) unconditionally. She had no other alternative. At the same time she declared the terms to be impossible of fulfilment, even with the best of intentions, if any considerable part of the great mining and industrial district of Upper Silesia were detached

SABOTAGING GERMANY

from Germany. In view of the vote (taken under Article 88 of the treaty) which was cast in the district, Germans had no little justification in expecting that Upper Silesia would remain undivided and a part of the reich. The plebiscite resulted in a majority of 228,119 (out of a total of 1,190,731) in favor of continued union with Germany. The powers themselves found it impossible to reach an agreement on the manner of dividing the area, and turned the settlement of the problem over to their diplomatic agents, the Council of the League of Nations, who considerably relieved them of stultifying themselves *coram publico*. What the powers did not quite dare to do themselves was done by their emissaries in the name of the League of Nations. In its award the Council of the League did not hesitate to play the pettifogger. It held that the district should be partitioned according to the vote of the several communes, and fixed an arbitrary line which conveniently disregarded German interests, boxed in great German communes, and left all the richest coal and ore deposits and the great industrial plants on the Polish side. Without exception Germans regarded the award as an outrage, especially so when it became known that France and Poland had, prior to the award, negotiated a "secret treaty" by the terms of which France agreed to pay Poland one franc per day for the maintenance of every soldier in its standing army, while Poland accorded to France the sole right

OBSTRUCTING DEMOCRACY

to exploit the undeveloped coal fields of the Pless-Rybnik district (Upper Silesia) and also the right to participate, up to 49 per cent, in the financial exploitation of all Upper Silesian coal mines transferred to Poland by Germany.

The Sanctions

There was a second implied condition to Germany's acceptance of the London ultimatum. It, too, was well known to the allied powers. It was this. After the failure of the London conference, in March 1921, the allies extended the so-called military sanctions, and imposed economic sanctions. These sanctions were resorted to under the treaty for the purpose of forcing Germany to come to an agreement on the amount of reparations and their payment. Fairness obliges one to confess that Germany's acceptance of the terms laid down by the reparation commission as soon as these terms were submitted to her, entitled her to be freed from the onerous pressure of the sanctions. She was the more entitled to this relief since, under the treaty, the reparation question was left solely to the reparation commission and the allied powers had no right to compel Germany to negotiate with any other body. This they nevertheless undertook to do and in pursuance of this policy the sanctions were imposed.

The sanctions were of two kinds. The military

SABOTAGING GERMANY

sanctions invoked consisted, in the main, in the occupation of Germany territory beyond the bridge-head of Cologne. The two great Rhine ports of the Ruhr district (Ruhrort-Duisburg and Düsseldorf) were garrisoned with troops of the entente. The economic sanctions were an exceedingly questionable application of that provision of the treaty (Article 270) which permitted the allies to establish a special customs régime in any part of the occupied territory "in order to safeguard the interests of the population of these territories." Under the economic sanctions the main artery of commerce of the entire Rhenish-Westphalian region, namely the Rhine River, was transformed into a veritable tariff wall. All commerce between the left and the right bank of the Rhine was subjected to an export and an import duty. Goods going east paid an export duty before they could be shipped across the Rhine. Goods going west paid an import duty before they could enter the occupied territory. All clearings had to be made through the interallied Rhineland commission located at Ems, and shipments were, in consequence, subjected to delays of weeks and months. The Rhenish-Westphalian region is, however, both a commercial and an industrial unit, so that the tariff acted most disastrously on its economic wellbeing, so disastrously that the British insisted on the abolition of the economic sanctions, in the fall of 1921. During more than seven months the commerce and industry

OBSTRUCTING DEMOCRACY

of that part of Germany which might have been the largest contributor to reparations was disorganized, and nearly wrecked. After the special duties were abolished, the region still remained under the regulating control of the interallied Rhineland commission and this control did not facilitate recovery.

Military Commissions of Control

Numerous military commissions of control were established under the treaty. Their agents were to be found in every important industrial plant, especially of the steel (machine), chemical, and aviation industry. Doubtless these commissions seemed justified under the circumstances. The terms of the treaty were so harsh that not one of the victors could overlook the possibility of secret preparations for a new war. Nevertheless the commissions impeded Germany's economic recovery very seriously, and forced upon her an annual loss of hundreds of millions of marks in gold values. It was not merely the direct expense that counted heavily, but more so the indirect expense. Two incidents will illustrate how the commissions retarded industrial recovery.

Article 168 of the treaty restricted the manufacture of arms, munitions of war, etc., to factories or works approved by the entente powers (the council of ambassadors), and required Germany to close down and dismantle or to transform completely all

COMMISSIONS OF CONTROL

other plants. Immediately following the outbreak of the revolution, the so-called *reichswerke* (government arms and munition works) were re-organized as private undertakings and transformed into plants for the manufacture of sporting arms (shot guns and revolvers) and sporting munitions and also collodium and cellulose for the film industry. After the ratification of the treaty the German government submitted, to the council of ambassadors, the plans for the transformation of the three former government plants (the Spandau-Haselhorst, the Erfurt, and the Wolfgang plants) then incorporated as the *Deutsche Werke*. The plans were approved by the council of ambassadors as in compliance with the treaty, and consent was given (February 20, 1920) to carry them out under the supervision of the commission of military control. This was done. Over thirty eight million gold marks were expended in their reconstruction. This involved the destruction of all those parts of each plant which the military commission deemed adaptable for war purposes; the dispersal of all heavy machinery among other industries so far as it could be used for strictly peaceful purposes; the blowing-up of the foundation of this machinery, *etc.* These changes were made. New machinery was installed at an additional expense of many million marks. All this was done with the approval of the supervising military commission. The old technical staff was dismissed, a new staff was taken on from

OBSTRUCTING DEMOCRACY

other industrial works, and production was under way. During the spring and summer of 1921, the *Deutsche Werke* were a successful going concern, building up in particular a large and rapidly increasing export trade. Over 11,000 men and women were on the payroll when suddenly, in the fall of 1921, the commission of military control forbade further development of the approved plans, and issued orders that important portions of the new plants be dismantled and the manufacture of collodium and cellulose be discontinued. The orders meant the destruction of the new industry.

Precisely the same situation arose in the aviation industry. As a partial offset to the loss of their merchant marine and in the hope of turning the experiences gained in the war to remunerative use, the Germans planned to put into the international service a great fleet of commercial planes. Huge, all-metal planes were under construction (the construction being carried on, of course, under the supervision of the special commission of aviation control) and hundreds of smaller planes were built for continental routes. There was nothing underhanded in the whole procedure. Everybody at all interested in aviation was cognizant of the plans and the progress of the work. In the spring of 1921, France caused all further construction to be prohibited, seized 75 per cent of the completed commercial planes; confiscated the engines of the new giant planes; and ordered the de-

COMMISSIONS OF CONTROL

struction of all air-plane material, the dismantling of great hangars (some only recently built), and the discontinuance of all but three unimportant airplane routes.

The above instances indicate how the delicate machinery of industry, commerce, and trade was controlled with disastrous results by the allies. In a period of political, economic, and social transition the consequences were disastrous to the country's economic recovery. That natural fears inspired the action of France and other nations, may well be taken for granted. But if natural fears are to be regarded as a sufficient excuse for the kind of international sabotage that has been going on since the treaty was signed, then we may as well confess that the war has left us without any standards of international morality and that might is after all the only principle worth considering. It were better to be frank about the whole business than to indulge any longer in the kind of sanctimonious cant we hear so frequently, especially in those circles where patriotism is measured in Dollars and Cents. Statesmen should be political realists. They should also be economic and social realists. When they become irrational in their realism, which is always the case when they mire themselves in national prejudices, plain speaking is called for. A spoiled child should not be coddled. We made much of France. We

OBSTRUCTING DEMOCRACY

put her in the position where she can act like a spoiled child. It is our privilege and it is our duty to see to it that she does not abuse her power.

But the French were not the only nation responsible for Germany's economic collapse. America did not ratify the treaty, but American diplomats share in the responsibility for the existence of that amazing document, and American business men are as responsible as American diplomats. For there is still one more and one very important point to be mentioned in connection with Germany's economic difficulties.

Article 267 of the treaty stipulated that "every favor, immunity or privilege in regard to the importation, exportation or transit of goods granted by Germany to any allied or associated state or to any other foreign country whatsoever shall simultaneously and unconditionally, without request and without compensation, be extended to all the allied and associated states." A decent sense of fair play would have given to Germany the same rights as against the allied and associated states. The rights were not given her. Her former enemies may pass prohibitive laws against her products, and Germany cannot retaliate unless she chooses to treat her commercial friends as she would treat her commercial enemies. The allied and associated states may invoke the most favored nation clause against Germany, she may not invoke it against them. It is

COMMISSIONS OF CONTROL

a piece of treaty legislation for which we Americans are responsible, of which some Americans seem to be gleefully proud, and which every decent American should regret. Hypocritical senators and congressmen, seeking election in 1922, told us weird stories of Germany's unethical business methods, for which we coined the word "dumping." They had not a word to say of the ethics of Article 267 of the treaty, nor did they tell us that it was the unfairness of this article that drove Germany, in desperation, to resort to the "dumping" system. The "dumping" system completed Germany's economic ruin.

CHAPTER XII

GERMANY'S DISASTROUS PROSPERITY

No people in the world were busier than the Germans in 1921-22. Partial employment there was, but unemployment was practically unknown. In some lines of business the demands for labor exceeded the supply. This was not the case in the immediately preceding years. In November, 1921, there were 145 men (likewise 116 women) applicants for every hundred vacant positions. In July, 1922, only 111 men (likewise 97 women) workers applied for every hundred jobs to be filled. In the meanwhile Germany's industrial production increased from 65 per cent of the annual pre-war output to approximately 75 per cent. The number of the new financial enterprises more than trebled. In the first quarter of 1921, 204 new stock companies were launched, and during the same period of 1922, over 700. As against the five billion marks of new capital invested in financial and industrial undertakings in the first three months of 1921, the first quarter of 1922 showed a record of over twelve billion marks. Dividend totals and div-

DISASTROUS PROSPERITY

dividend rates increased proportionally. The average dividend rate for the year ending June, 1922, was about 34 per cent. The average dividend rate in the years just preceding the war was only 11 per cent. The banks shared in the prosperity. During the fiscal year ending June 30, 1914, the Deutsche Bank, for example, declared dividends at the rate of 12.5 per cent on a capitalization of 200 million marks. In 1921-22 the dividend rate of the same bank, on a capitalization that had been increased to 400 million marks, was 24 per cent. In 1913-14, the bank's total turnover was 129 billion marks. In 1921-22 it was over two trillion marks.

Statistics like the foregoing might be quoted almost indefinitely and they have been quoted continually to prove Germany's capacity to pay reparations. They established the legend of Germany's industrial recovery and prosperity. Americans could hardly be blamed for believing that the sooner Germany was made to pay the sooner Europe would return to normal conditions. Men prominent in the business affairs of our country so believed. They, at least, should have known better. At the time when the legend was most widely credited, in June, 1922, it required one hundred marks to accomplish the work of a pre-war mark. Even a mere professor knew that the statistics we were receiving from Germany dealt with inflated values and that capitalization, turnover, dividends, and the like must be scaled down. The

OBSTRUCTING DEMOCRACY

obvious remedy for such ills as necessarily attended the depreciation of the German mark, seemed to be, and by most financiers was declared to be, the discontinuance of the issue of fiat money. But how was Germany to stop printing "paper" money as long as she was required to meet reparation payments under the London ultimatum? Few if any responsible bankers believed it possible and the bankers committee at Paris frankly told the world the truth, in June, 1922. Between April 1 and July 31, 1922, the German government discounted treasury notes to the amount of 35,875,300,000 marks, of which sum 27,746,000,000 were required to purchase acceptable foreign exchange in order to meet payments under the treaty.

Curiously enough and much to the surprise of financial experts who visited Germany, German industrialists and many leading bankers of Germany did not view the policy of currency inflation with that moral abhorrence which the consequences seemed to call for. They were not as absurdly wrong as the average American believed them to be. There were latent factors in the situation to which Americans, in particular, failed to give due consideration. Germans, for their part, saw them as obvious factors. The remedy on which they insisted was as obvious to them as the remedy proposed by foreign bankers and business men seemed obvious to these. The German remedy was, however, as time has proved, an

VANISHING VALUES

essential preliminary. It reckoned with the disease itself and not with its symptoms.

Had German prosperity been nothing worse than paper prosperity, there could have been only one reply to Germany's appeal for help: "Cease printing fiat money!" But German prosperity was something far worse than progressive inflation of the currency. It was an economic debauch due to economic deprivation. It made good no economic loss. On the contrary, it increased the loss and aggravated its effects. One has but to reflect on the vanishing "values" to comprehend what happened.

The 34 per cent annual dividend rate (average) of 1921-22 had a purchasing power in the retail home market of less than 1 per cent of the pre-war rate (11.8 per cent). On the whole, this discrepancy indicates the great shrinkage in values. However, the annual net increment of industrial production did not shrink to the full extent indicated by the figures, in as much as the investor's share in the increment was reduced by the increase of the workers' share (wages) and the state's share (industrial taxes). Before the war, labor's share in the annual industrial increment was somewhat less than 76 per cent. In 1921-22 it was in excess of 84 per cent. The investor's share (the index figure of which was the average annual dividend rate) was 11.6 per cent in 1913-14, but less than 2 per cent in 1921-22. In fairness, labor's share should also be taken into consideration when

OBSTRUCTING DEMOCRACY

we estimate the annual industrial increment of a country. For this reason, the decrease in the purchasing power of dividends in the home market to 1 per cent of the purchasing power of the pre-war dividends, did not signify an equivalent decrease in the net annual increment of Germany's industrial production. But on the other hand, the increase in gross production from 65 per cent to 75 per cent of the annual pre-war output did not prove that the net annual increment was on the increase or that it was only 25 per cent below that of 1913-14. As a matter of fact the impairment of capital values, in the summer of 1922, was in excess of 60 per cent. Some industries suffered a greater shrinkage than this, others were not affected as seriously. But looking at the situation, as we must when we are considering the problem of reparations in its *national* aspects, capital values melted away alarmingly.¹

¹ The impairment of values is strikingly illustrated in the case of stock companies. In 1913, the total number of these companies in Germany was 5486, with a (par) capital of somewhat over 17 billion marks. In 1922, the total number of stock companies had increased to 9669, with a capitalization (at par) of slightly more than 104 billion marks. Now, in 1913, gold and paper marks being then of equal value, i. e., having the same purchasing power, the "stocks" of the companies had a purchasing power equal to 30.7 billion marks. But in 1922, their purchasing power was equivalent to 724.3 billion paper marks or only 4.9 billion gold marks. Meanwhile there had been added to the actual value of these "stocks," by increase of plants, improvements, etc., over 5 billion gold mark values, so that, had conditions remained normal, the actual value of the "stocks" of the 9669 cor-

VANISHING VALUES

American business men sometimes find it difficult to understand how a nation's industrial wealth can evaporate in this mysterious way. The things that represent industrial capital, such as land, buildings, machinery, are all there as they were before the war. But even within these purely material limits "capital" has always only a relative and never a fixed value. The true value of industrial capital is not in the things as such. It lies in the workability of them. Two industrial plants of exactly the same size, equipment, cost, and organization do not necessarily have the same capital value. Other things being equal, plant A will have a greater capital value than plant B if, for example, it has a cheaper or a superior or a more assured coal supply than the latter. The same will be true if its market is more accessible or more stable than that of plant B. The example illustrates what happened to German national industry, partly during the war, but chiefly in consequence of the treaty. After the conclusion of the peace German industry as such no longer had at its immediate and abundant disposal those raw materials (coal, iron, zinc, lead, copper, etc.) on which it was built up. Its markets, porations, in 1922, would have been approximately 31 billion gold marks. But, instead, the actual value had shrunk to less than the values that were added between 1913 and 1923. In other words, the *entire* gold value of the stock companies, as of 1913, had evaporated. In the face of statistics such as these, the estimate of the shrinkage of values given in the text appears more than conservative.

OBSTRUCTING DEMOCRACY

too, were either wholly closed or accessible only at a great sacrifice. The result was production at a loss for the nation, that is to say, a production that did not throw off an annual increment sufficiently large to sustain the nation's economic life. Inevitably values shrank and this is but another way of saying that the nation's industrial capital underwent the process of impairment. Manifestly this process was not due to the recourse to paper money. On the contrary, the shrinkage of values was one of the factors that contributed to the depreciation of the currency, and once this depreciation set in it aggravated the shrinkage.

The process just referred to was intensified by two other factors, namely the increased demand for raw materials and the necessity of paying reparations.

The treaty deprived Germany, as we have seen of a very great part of her natural resources. In order to exist at all Germany was obliged to import food stuffs and raw materials in relatively much larger volume than before the war. The need was insistent and it was immediate. The four years of the blockade left the country on the verge of dissolution. Imports were obtainable, first, by exports and, secondly, by the sale abroad of German securities, such as bonds, stocks, treasury notes, etc. Germany's foreign trade had, however, been wiped out completely by the war. A violent prejudice against

CURRENCY DEPRECIATION

resuming trade with her prevailed in most foreign countries, and resulted in, or threatened to result in, discriminative tariffs against her products. In order to expedite exports Germans foolishly resorted to excessive "dumping," and by every exchange of goods they lost at a ruinous rate. Goods, the productive increment of which would sustain a German for more than a week (even assuming the American standard of living), were sacrificed in exchange for goods the productive increment of which sustained an American for scarcely a day. In 1921-22 this exchange was at the average rate of 6 to 1. In the first eight months of 1921, the "dumping" policy cost the German people a loss equivalent to the products of approximately three billion labor hours. But "dumping" did not suffice to meet the imperative needs of the people. The deficiency was covered by the sale of German securities.

This brings us to the second contributory cause, reparations. They could be met only by diverting credits obtained through exports or by the increased sale of securities. The diversion of foreign credits obtained through exports to reparations account, of necessity increased the sale of securities for import account. The consequence was the depreciation of the German mark in a geometrical progression, and the continual depreciation made it increasingly impossible for German industry to produce without sustaining heavy losses. The more the Germans

OBSTRUCTING DEMOCRACY

worked and the greater their industrial production, the poorer the nation became. Nothing that they could do as a nation altered their tragic fate. The moment they ceased laboring, that moment the catastrophe was upon them. Continuing to labor they tapped away their life blood. The paradox calls for explanation.

On September 1, 1922, the German mark had a purchasing power in the retail home market equivalent to less than one gold pfennig, or to be exact, 0.98 gold pfennigs. Before the war its purchasing power was, of course, 100 gold pfennigs. On the above day the same mark had a purchasing power in the world's markets equivalent only to 0.32 gold pfennigs, and in the wholesale home markets only slightly greater than 0.35 gold pfennigs. What happened, therefore, on September 1, 1922 and what had been happening for several years previously and continued to happen thereafter, was this:

German industry was obliged to deal with three sets of values, namely, the value of the mark in the foreign market, in the wholesale home market, and in the retail home market. The difference between the first two was relatively small, but always in favor of the industrialists as long as the mark continued to depreciate in foreign markets. For this depreciation immediately appreciated the mark value of his products in the market in which he sold, namely the wholesale home market. The

CURRENCY DEPRECIATION

difference between the second and the third sets of values was always very considerable since the foreign exchange value of the mark was not reflected in the retail home market short of several weeks (six weeks, on the average). This latter difference favored the manufacturer in so far as it enabled him to obtain his labor at a cheaper rate than his foreign competitor and his domestic raw material at a cheaper rate than his foreign raw material; and to dispose of the industrial increment at a much higher rate as the mark depreciated. It is clear that as long as the production of industry was for the home market, the profits were only paper profits.¹ When, however, production was for the foreign market the profits were gold profits but only for the *individual* industrialists. The very fact that German industrialists obtained their labor at a rate at least three times cheaper (measured in terms of Dollar exchange) than their foreign competitors made inevitably for that national loss which has already been referred to. On the other hand, the continual depreciation of the mark rendered their profits in the home market unsubstantial and illusory. The consequences were a real and progressive contraction of the market. It was the more catastrophic because it was obscured by other conditions.

¹A much larger percentage of these paper profits was, however, transformed into *substantial* assets than would have been the case under a stable currency. Industrial plants were enlarged, new plants built; banks proceeded to erect immense structures, etc.

OBSTRUCTING DEMOCRACY

There were two chief reasons for the continuance of the illusory prosperity. The first was the continual depreciation of the mark and the consequent ability of industrialists to take their paper profits and to keep the wheels of industry a-turning. The second was the hectic demands for *goods*. With currency depreciating at the rate German currency began to depreciate in 1921, all incentive to thrift, and unhappily also to conscientious and thorough work, disappeared. No German in his senses kept mere money any longer than it took to transform it into something concrete. If he could not buy goods, he bought pleasure or dollars, a procedure ruinous to the country. The result was a feverish demand on industry, and the further result—a frightful waste of the country's resources and of the people's productive energies. To make matters worse, the normal necessities of life (such as food stuffs, coal, clothing) were increasingly difficult to obtain. Therefore, people spent their otherwise useless money for luxuries. Innumerable enterprises came into being in response to this demand for luxuries, and contributed to the apparent prosperity of industry. In reality they wasted a vast amount of raw material which usually and under normal conditions entered into the manufacture of useful and needful commodities. To put the matter brutally, the Germans were bleeding to death and the hemorrhage was both external and internal.

CONDITIONS OF RECOVERY

If Germany's industrial "prosperity" has been diagnosed correctly, something more than the reform of the German currency and the incidental reform of her budget must be achieved. The horrors that will inevitably overtake a people so largely industrial and so greatly dependent on imported food supplies as the Germans are, when the industrial debauch either runs its course or is brought to a sudden stop, cannot be disregarded much longer. The prerequisite to all reparations, to all loans, and to the stabilization of Germany's finances and currency, is the establishment of conditions that will enable German industry to resume healthy and healthful production.

What, then, are these conditions? Almost any intelligent American should be able to state them.

First of all, Germany should be set free. There must be no interference, military or economic, with her internal affairs by any foreign power or powers. German territory should be evacuated, even that on the left bank of the Rhine, and all commissions of control should be withdrawn. If, for the purpose of meeting reasonable reparation requirements and of stabilizing the currency, a foreign loan should be floated by Germany, then whatever guaranteeing supervision is demanded by foreign subscribers to this loan, should not take the form of a political commission, that is to say, a commission appointed by foreign governments. At most it should be a commission

OBSTRUCTING DEMOCRACY

appointed by the bondholders to co-operate with the duly appointed authorities of the reich (and in this capacity recognized by the reich) in securing the payment of interest and amortization. No people will put forth its best energies as the servant of another people. To an American who is not prepared to subscribe to this doctrine, a study of the Declaration of Independence is recommended. Moreover, no people *can* put forth its best energies under the tutelage of another, certainly not if as a people it has, under normal conditions, proved itself the peer of all other peoples in fiscal management and industrial production. Neighborly tutelage can only harm Germany, and will do the world no good.

In the second place, the treaty of Versailles should be subjected to careful revision by a competent international commission or congress. On this commission the party most vitally concerned, namely Germany, should have a seat and a voice as of right. Glaring injustice was perpetrated by and under the treaty of Versailles. The Saar basin, the Danzig or Polish corridor, the most-favored-nation clause, and the partition of Upper Silesia call for honest reconsideration if the world is to be assured of peace.

In the third place, the total reparations required of Germany must be determined by a commission of true experts, on which Germany must be represented. The German people have a perfect right to feel aggrieved not only at the absurd demands made on

CONDITIONS OF RECOVERY

them by the reparations commission, but also at the absence from this commission of the representative of that power on whose sense of fair play they relied. The treaty stipulated that the reparation commission should consist of delegates nominated by the United States of America, Great Britain, France, Italy, Japan, Belgium and the Serb-Croat-Slovene State. The treaty did not provide that those countries *may* nominate delegates to the commission. It provided that they *shall* nominate them (Part VIII, Section 1, Annex II, 1). The United States was not represented on the commission when the reparation total and the conditions of payment were fixed in 1921. The tribunal that fixed this total was not the tribunal contemplated in the treaty, and though might forced Germany to bow to its decision, equity demands that a new agreement should be reached between the powers concerned in the treaty in respect to the manner of determining Germany's reparation obligations. In reaching this agreement common sense would seem to dictate the appointment of a non-political commission, that is to say, a commission free to reach its conclusions on economic grounds and unhampered by the Government or the politics of any one of the countries concerned.

When America stands ready to champion the foregoing conditions it will be in the way of issuing a new Declaration of Independence, this time of international import, and the new declaration will serve

OBSTRUCTING DEMOCRACY

the future peace of the world more efficiently than an artificial organization of the nations of the world through a league of their Governments. Not until America and the great nations of the world are prepared as peoples to apply the principle of international righteousness even toward a former enemy, will it be possible to *organize* the nations in the cause of righteousness. Perchance the peace will teach us what the war taught the German people. Just as the New Germany came into existence and can endure and prosper only because there was a national German community (since organized as the German Commonwealth), just so can a new international order come into existence, endure, and prosper only on the basis of an international community. Is there such a community as this in existence today? The question will be answered by the attitude the peoples of the world take toward the Franco-German problem. Are we Americans prepared to lead once more or—shall the golden stars shine in vain?

CHAPTER XIII

POST BELLUM PSYCHOSIS

There is an old saying to the effect that it takes two to make a quarrel. Granting the truth of it we may still assert without much fear of serious contradiction that it takes just one to start a fight. Quarrels seldom become bitter without some fault on the part of all parties concerned; but quarrels do not pass beyond the possibility of amicable adjustment unless one of the parties is a shade more ignorant and a shade more aggressive than the others. It is but natural that to him who manifests the greater ignorance and the harsher aggressiveness the greater blame should be assigned, and he may well thank his lucky stars if he is not shouldered with the entire blame.

In 1914 the famous or rather infamous quarrel of nations in which we Americans were finally involved, was started by the German government and those responsible for it. The quarrel did not end, as we fatuously supposed, on armistice day, 1918. It did not end, as the entente powers injudiciously calculated it would, with the ratification of the treaty of Versailles by the several parliaments of the French,

OBSTRUCTING DEMOCRACY

Belgian, Italian, British, and German peoples. The quarrel merely passed into a new phase. It became a general *mêlée* with the lights out and friend and foe slashing about blindly. Quite enough economic damage has been done. Quite enough damage has been done to treasures that are beyond economic valuation. It is time ancient grudges were laid aside and venomous jealousies abated.

During the war the powerhouse of democracy purred away, as never before, on both sides of the dead line. Everywhere the lights burned brighter and brighter. Finally they flared up with amazing brilliancy. America had entered the fray.

On armistice day the fuse blew out. The lights glowed on for a while, then the world went dark. The new fuse fashioned according to pre-war theories, with a new emergency attachment known as the League of Nations, proved a non-conductor. Without exactly knowing why we distrusted it. So we retired to our own special, somewhat remote, corner. But the powerhouse of democracy kept on purring. Then the current short-circuited. Here and there and everywhere, even in our supposedly safe nook, the sparks sputtered.

Perhaps it were just as well that the temple we builded and called "civilization" should burn down. For when a temple commands so little reverence that it can be turned into an abattoir and slaughter

POST BELLUM PSYCHOSIS

become our reasonable worship, then there would appear to be no good reason for weeping if the temple vanished and we were free to build anew. But as matters stand we all happen to be within the temple, and for the most part are likely to be incinerated in the flaming edifice. Moreover, there are some beautiful lines to the structure and truly glorious achievements are recorded in carved wood and stone and in stained glass. It is worth the saving not so much for its own sake as for the sake of its suggestive possibilities—the finer and ampler temple we may make of it. It is worth saving also for the sake of those who must perish in its ruins.

There is much in the foregoing metaphor that will not bear close application to the reality of things. However, the metaphor exemplifies the situation in which we find ourselves some five years after the official conclusion of hostilities.

In 1917-18 we hurrahed for democracy and we hurrahed so lustily and with such apparent sincerity that the peoples of Europe joined in the chorus. One has but to recall David Lloyd George's eulogy of President Wilson's address to the Congress (April 2, 1917), or to picture to one's self the welcome accorded to our chief magistrate in France, England, and Italy and the response the German people made to his "fourteen points," in order to be assured of the actuality of the passion that burned in the hearts of men and women of the western world. And to-day!

OBSTRUCTING DEMOCRACY

What has become of that "partnership of democratic nations" which the British prime minister declared to be "the crowning phrase" of the President's address? What has become of that magnificent spirit of mutual respect and helpfulness between individuals and between peoples which seemed to establish a near equation of egotism and altruism? What has become of those "fourteen points" on the basis of which the German people laid down their arms and surrendered to the mercy of their enemies?

Up and down our broad country men openly sneer at democracy. Interpreting literally the most significant statement of our Declaration of Independence, they pervert its meaning, and make a jest of the proposition that "all men are born equal." They account the living community of individual human beings of less importance than its accidental creation—the political state. They tell us that in this state we live and move and have our being; that we must be good Americans. Blandly we permit the transformation of a beneficent servant in the realm of political conduct into a monstrous tyrant in this realm and also in the realms of social and economic activities.

Many seem to feel that democracy is becoming a nuisance; that it requires altogether too much of their time and of their energies, moral and mental; that it makes more or less of a muddle of things generally; sets the mob above the "aristocrats"; under-

THE MESSAGE OF LIBERTY

mines law and order; and is at best something that may be tolerated, but never anything a really sane man will advocate. Clergymen, college presidents and professors; leaders of the bar and outstanding representatives of industry, commerce, finance, trade, and even so-called labor; the daily, weekly, and monthly press; politicians and would-be statesmen—all too often they identify the heritage of our forefathers with "the established order." Sometimes they threaten us with devious and condign punishments if we fail to support them in their efforts to preserve the state's absolute authority.

So quickly have we forgotten.

Historians tell us that defeated Greece conquered victorious Rome, since ancient Rome, the victor in arms over ancient Greece, succumbed to the civilization and the culture of its vanquished foe. One wonders, in these after-the-war days, whether history is repeating itself. Can it be true that we Americans, we of all peoples, whose chief aim it was in the war to put "Prussianism" out of business, are now in turn kowtowing to the idol we sought to pull down.

September, 1922. A liner steaming up the bay. Bedloe's Island! Who cares? Ahead—an entrancing mirage above the morning mists—lower Manhattan! Crowded decks. Home again!

Home again? Time was when the home coming meant more to us Americans than the reunion with

OBSTRUCTING DEMOCRACY

dear ones. More than the return to familiar surroundings, the renewal of social intimacies, the resumption of the routine of living with a new zest. In those days Bartholdi's *Liberty Enlightening the World* found us lining the starboard rail and flashing back the message of liberty, gloriously proud in the conviction that the message was ours, our message to the world. Within us stirred genuine self-respect as we noted the eagerly pointing hands of future citizens on the lower decks and ourselves felt the hush that precedes the fulfilment of a great expectation and silences all possible misgivings. Then we bared our heads. Bedloe's Island was more than a passing incident in our home coming.

My country, 'tis of thee,
Sweet Land of liberty,
Of thee I sing.

A fine sentiment, worthy of a finer phrasing than saccharine prose. Worthier of far finer consideration than we accord it. Oh, yes! We sang those lines, times without number, in the days of 1917-18. To be sure, that was long ago; oh, so long ago! And after four, going on five, years of minding our own business, they seem—well, they do seem “mushy.” Yet, in those days, we sang them passionately and, in a sense, sincerely. Frankly, however, deep as was our emotion, in the singing of them there was small

THE MESSAGE OF LIBERTY

thought of liberty. Other thoughts and other emotions ruled us, and justly so. By 1917-18 our message of liberty had been given to the world, long since. As *the* land of liberty our mission had been fulfilled for at least a generation. Liberty as fine and as full as ours held sway in other countries. Not a country of Europe, scarcely a country of the wide world, in which liberty in its political connotations was not as much an ideal as in the dear old United States, and in which liberty in its social connotations was not often achieved and preserved more intelligently than in "the Land of the Free." No longer was liberty the unique possession of Americans. It could not remain this once it was shared by others. It was never our intention that its only home should be in our country. The reflection that other peoples now share in the blessings of liberty brings no regrets. Rather are rejoicings in order. But with rejoicings come misgivings. For while it is well for the world that Bartholdi's statue should be no longer surpassingly, much less exclusively, emblematic of America. and while it is perhaps not to be regretted that returning Americans no longer welcome it with peculiarly American emotions and that it bears to the immigrant no distinctively American message, it is not well that the latter should come to us thrilled by no finer expectation than that of material prosperity and that we ourselves should return to these shores and take up the routine of life proud chiefly (though

OBSTRUCTING DEMOCRACY

haply not solely) of the "bigness," the wealth, and the material opportunities of our heritage. For it is never well that a people should be without a moral ideal distinctively its own. Without an ideal of this kind a people is in imminent danger of neglecting its traditional virtues and the heritage it has been forced to share with others.

There is no lesson in all history of more vital import to us Americans today than the lesson of the passing of great peoples. There is no lesson more stimulating than the companion lesson of the rise of great peoples. At the heart of both lessons lies the inexorable truth, fateful yet encouraging, that a people's continued existence depends on its retention of a moral leadership. Witness Israel, Greece, Rome, Germany, France, Great Britain, America. Each in its own way a past leader in humanity's moral endeavour. Each proudly conscious, in its day of glory, of this leadership. Each, by reason of this consciousness, a great living unit, a people in the true sense of the word. All alike doomed to share with other peoples what was once cherished uniquely. All challenged by fate to discover in themselves and to proclaim to the world a new ideal. Some heeding not the challenge, and perishing. Some chafing under it, yet feeling its justice. Some, led by false gods into desperate straits, trying to read the lesson of their sudden tragedy. Others, envisaging their moral uniqueness in the iridescent bubble of *la gloire*, piti-

LEST THE PEOPLE PERISH

fully striving to rewrite history and in the rewriting of it forfeiting their glory.

In the eternal scheme of things it may be of no importance whatsoever whether a people survive or perish. But that a people must perish unless it have a moral *raison d'être*—that is one of the axioms of history.

“We, the people of the United States!” It was a daringly magnificent assumption. Made by our forefathers it challenged a mere populace to achieve the solidarity of a people. Vain would have been the challenge and barren verbiage the assumption had no uniquely moral impulse stirred in the one-time colonists and, being lifted into the realm of a common purpose, finally transformed itself into the consciousness of a great common destiny. It matters little how liberty was defined; through what particular institutions it was sought to be achieved; or whether the common purpose was always keyed to the common impulse, and the common destiny always controlled by impulse and purpose. What matters supremely was the human rightness of the professed ideal and its human uniqueness. Its rightness remains. Its uniqueness has departed.

There is nothing more human than to be proud of unique possessions and to cherish them accordingly. There is nothing less human than to cherish possessions, though they be virtues, that have passed from the stage of uniqueness to that of the common place.

OBSTRUCTING DEMOCRACY

Moreover, the master passion of one generation cannot and ought not to remain the master passion of all future generations. To-day our one-time ideal of liberty is not only a commonplace in the world of other peoples, it is also an ideal that cannot and does not translate the common impulse of the population of these United States into an adequately effective common purpose. It fails to evoke our enthusiasm. We pass Bedloe's Island with heads covered.

Great is the optimism of those who still believe in "the melting pot." Fatuous the attempt of others to preserve the American people through "institutionalizing" the new-comers and their descendants. Piti-ful, if not tragic, the increasing clamor for subjects rather than citizens. By all means, let us cling to the fine and generous ideal of liberty, re-adapting it to the imperative social needs of the twentieth century. But let us not cling to it hysterically, nor re-adapt it mechanically. A population becomes a people in response to its vitally moral, as well as its vitally political and economic, needs. And no people will long remain a people unless it is capable of idealizing its needs progressively. Americanization must ever invoke fanaticism and provoke resentment if it be not the perpetual idealization of an impulse stirring in the populace, and the perpetual transformation of this impulse into a common purposefulness. For not only we—we of so-called American birth and breeding—wish to call ourselves "the people of

“WE THE PEOPLE”

the United States.” The wish is passionately shared by millions upon millions of our foreign born. Their wish cannot be ignored, our wish cannot be silenced. Neither wish stands by itself. Neither can be achieved of itself, nor can either be granted of itself. Fulfilment lies not in the power of either party. Fulfilment lies only in the united powers of all.

I am frequently asked by my German friends why we Americans were peculiarly resentful toward the Germans and why, unlike our English brothers, we continue to harbor suspicion. My answer is always the same:

“The war threatened our most cherished reality and the peace has not removed the threat. Our citizens of German birth remained loyal citizens, but special human sympathies which were justified, though we could not share them, set them apart for the time being. To these distinctively non-American sympathies you appealed, and by so doing you drove, and sought to drive, a wedge between what you chose to designate as Anglo-Saxon and German stock. You sought to disrupt ‘the American people.’ Perhaps only a people as keenly conscious as are we, of its evolution from a populace, and struggling as perpetually as must we, to preserve its solidarity, can feel the danger of disintegration and resent the threat of it as passionately as did we. Your consciousness of German solidarity, of a distinctively cultural unity, is age-old and, whatever its political counterpart may

OBSTRUCTING DEMOCRACY

have been in the past or is to-day, it has never felt the challenge which lies in the peculiar complexity of our population and which you deliberately intensified. No doubt, you did not perceive, as apparently you still fail to understand, that no political and no economic measures undertaken by you or any other nation against us could be as dire in their consequences as your appeal to the non-American sympathies of our 'German' and other 'foreign stock.' In the long run we shall be grateful to you for opening our eyes to our danger. You have set us thinking, and out of self-communing there will be born a new, a finer, and a sturdier purposefulness in our populace and we shall be able once more to read the opening words of our Constitution with conviction."

I do not know of a country in the world, nor could there well be a country, whose population is in the very nature of things quite as concerned for its solidarity as a people as are we who call, or would call, ourselves Americans. At the same time, I know of no country whose populace has a more precious opportunity to revitalize its popular solidarity and to meet the ever-recurring challenge of history than ours. We are troubled by the problem of immigration, and a serious problem it is in more than one of its aspects. But in that problem lies the answer to the challenge of contemporary history. Instead of

“WE THE PEOPLE”

fretting, it should stimulate us. For it suggests America's new message to the world. It can lead us to the discovery of that unique and righteous ideal of which we are sorely in need as a people; and help us to recover the purposefulness of moral leadership—not a presumptuous and intolerant leadership, but a leadership that, justly proud of its prerogative, is as justly considerate of the leadership of other peoples in other spheres of human progress.

I recall one of the many mass meetings held, during the war, in Carnegie Hall, New York. It closed with the singing of *America*. Orchestra and audience were turning toward the exits when, from the topmost gallery, a single voice of foreign intonation burst forth in the concluding lines:

Long may our land be bright
With freedom's holy light,
Preserve us by Thy might,
Great God, our king.

Stayed was every movement of that great audience. Then it, too, took up the chant with spontaneous fervor such as only some undefined, common emotion, some deep-seated, hidden longing momentarily surging to the surface of a common consciousness could evoke. Was it the thought of freedom or liberty that wrought the demonstration? Hardly! Few of

OBSTRUCTING DEMOCRACY

us thought or felt our liberty imperilled. It was, rather, the dawning consciousness of America's new mission. It was the same unformulated longing that, in the winter of 1919, rose a swelling tide about our chief executive, in the cities of Europe. One hesitates to formulate that longing now, so far has it seemingly receded. And yet the great passion of twentieth-century humanity was genuinely articulate during the war and at its close in America—and a war-ravaged Europe welcomed our leadership. Even the people against whom our blows were directed with peculiar bitterness, took new courage, and hailed the coming of a new day. If that secret passion of the race was genuinely articulate in our land then, it must still exist now. It must still be capable of stirring our populace to common action, still capable of the wonder-work of moral leadership. For, in its inception, it was uniquely American, not by any moral merit of our great populace, but by the composite character of that populace. Sprung from all the warring peoples this populace was living at peace, striving in common, achieving in common. Representing every culture of Europe and gripped by antagonistic sympathies, it longed, as no other populace could long, for that mutual adjustment of sympathies and that just co-ordination of the essential needs and the noblest aspirations of Europe's peoples which, as the offspring of these peoples, it was itself

“WE THE PEOPLE”

realizing in the people of the United States. In 1917-18 we discovered wherein we could be one and through what great passion Americans of every descent could be united. Ours was the passion for fair play as between peoples; the passion for peaceful dealings, for the mutual liberty of the peoples of the world; the passion for that democratic ordering of international relations in which self-interest is tempered by moral considerations and selfishness submits to justice.

The peace came. It camouflaged the great issue of the war. It left us in a murk of discordant sympathies and conflicting objectives. It has since revealed a Europe torn by selfish dissensions more bitter than ever, and enthroning might above right. It begins to reveal an America drifting aimlessly, almost disillusioned, seemingly discouraged, and inclined to constitutionalize the principle of force. Yet within this same America are assembled still, as nowhere else in the wide world, all the elements that enter into the problem of the peace, and they are assembled in a manner that makes their union not only possible but also imperative.

Pro-German or pro-French; pro-English or pro-Irish; pro-Slav or pro-Czech; pro-Turk or pro-Greek or pro-Italian! What boots it! Along those lines we mire ourselves in the discords of Europe. Fanaticism engulfs patriotism; factionalism of every de-

OBSTRUCTING DEMOCRACY

scription supersedes Americanism. Racial idiosyncracies, sectional interests, religious prejudices, masquerade as champions of liberty. Institutions are glorified as ends in themselves, and "the people" is degraded into a product of institutions. Yet beneath all the strife and the turmoil and behind every dictatorial "thou shalt" or "thou shalt not," the new master passion persists. Why not tear off the camouflage? Why not set this passion forth in its compelling majesty? Why not avail ourselves of the God-given opportunity? We, the offspring of all Europe, we desire that which is best for all, not that which accords merely with the selfish interests of any single people. In this desire we can all unite, and uniting in it we both re-discover ourselves to be a people and assert our moral leadership as a people. Old Glory is still Old Glory if flung to the breezes as the emblem of international justice and as the symbol of that mutual rightness between peoples out of which there shall come, some day, international co-operation and ultimately the peace of mutual understanding and common sympathy. Some of us have seen it flying over the old fortress at Ehrenbreitstein, at Coblenz. In foreign lands, amid increasing bitterness and impending strife, it heralded—not conquest and not the law of might. It heralded the only hope of Europe, the existence of a people beyond the seas that can, if it only will, discover and commend to

FOR THE GOOD OF ALL

Europe the secret of its own true greatness and its own abiding peace.

Old Glory will still be Old Glory even in a more intimate sense than this. Under its folds we shall then rededicate ourselves to the ideal of liberty. For is there an American cynical enough to doubt that we, the children, grandchildren, and great grandchildren of Europe, shall not by the urge of a common sympathy and a common purposefulness in an international cause, discover a common sympathy and a common purpose in our national cause? Is there one who does not feel that "liberty" means more today than one hundred and fifty years ago! Not set on dictating to each other nor wholly blind to the naturalness of the idiosyncracies of race or of the special interests of sections or of the prejudices of religious beliefs; but taking from each what is best for all and discovering in the mutuality of our fundamental aspirations the law of our conduct, we shall go forward, and work out our destiny without misgivings.

And so it is, after all, with a selfish purpose that this book, the story of a New Germany coming forth from the Old, has been written. For who shall read the story, even though it be not set forth in conformity with all-too current prejudices, without renewing the great pledge of the past and entering the lists in behalf of a New America? Then, by the side of

OBSTRUCTING DEMOCRACY

a New Germany, a New France, a New Italy, a New Britain, a New Europe, down the distant aisles of history we, too, shall march confidently—we, The People of the United States.

THE END

INDEX OF TOPICS AND NAMES

- Abnormal conditions in Germany, 136-137
- Absolute state, 18-20
- ADGB, 154
- Administration of the Reich, 122
- Afa*, 154
- A. F. L.*, 154
- African troops, 222-223
- Agrarian nobility, 40
- Agrarian (peasant) vote, 99
- Agricultural lands lost by treaty, 230
- Airplanes, confiscated by France, 240-241
- Alldeutscher Verband*, 14-15
- Allegemeiner Deutscher Lebensverein*, 15
- Allgemeine Elektrizitäts-Gesellschaft*, 170
- Allied policy weakens German government, 133-134
- Alsace-Lorraine, 111
- "America", 264, 271
- America and the reparation commission, 256-257
- America's message to the world, 263-266
 - new mission, 271-273
 - responsibility for article 267 of the treaty, 242-243
- American citizenship, 75-76
 - concessions in Mexico, 48
 - democracy, 76-77
 - problems of government, 202-204
- State (and the Prussian State), 24-25
- Americanism, 23, 30
- Americanization, 30, 268
- Anglo-Saxon conception of the State, 20ff.
- Arbeiterschule*, 199
- Arbeiterstand*, 180
- Arndt, 33-34
- Article 165, 108, 122, 140, 150, 157 ff.
- Association of "free" employees, 154
- Athenian State, 19
- Austria-Hungary, military expeditions, 68
- standing army, 68
- Autocratic nationalism, 22
- Aviation industry, 240-241
- Bartholdi's *Liberty*, 264, 265
- Bavaria, People's Party, 99
 - reaction in, 200-201
 - separatism, 134
- Bavarian Party, 99
- Bavarians, 119
- Belgium, 26, 111
 - and German coal, 228
- Bell, 113
- Bildung*, 192
- "Bill of Rights," 202
- Bismarck, 19, 26, 36-37, 38, 39, 52, 119, 135, 208
- Blockade, 86, 109, 250
- Blocs*, 135

INDEX

- Boehm's *Körperschaft und Gemeinschaft*, 210, note
 "Bolshevik," 225
 Bourgeois parties, 102
 Brandenburg-Prussia, 21, 33, 106
 Britain as world's merchant, 43-44
 British coal reserves, 42
 industry, 43-44
 investments in Germany, 44
 iron ore, 42
 Brockdorff-Rantzau, 113
 Bröckers' *Die Arbeitsbewegung*, 211, note
 Wertgutgedanken, 211, note
 Brotherhoods of railway employees, 154
Bundesrat, 36
 Bureaucracy, 60 ff., 141
 in America, 61, 63
 in Germany, 60, 67
Bürgerstand, 180
 Burgher, the, 33
Bürokratie, 60
Bürokratismus, 65, 67
 Capital, its relative value, 249,
 and labor, 155-157, 157-158
 Cartels, 32, 169
 Centralization, 133-140
 of industrial production, 32
 Centralized government, 104
 Centrists (the), 99, 102, 129,
 135, 139
 character of the party, 106-107
 committee on the constitution, 113
 in temporary government, 112-113
 problems of, 106-107
 Chambers of agriculture, commerce and trade, 32, 151-152, 166
 their public function, 152
 Chancellor, 38, 130
 Chancellors, 137
 Change in Germany in 1916-18, 86-87
 Changes in form of government, 130-132
 Chemicals, 232
 Chemical Trust, 170
 Christian labor unions, 153-154
 Christian People's Party, 99
 Church (the), 201
 Church and the absolute state, 21
 Church and State, 191
 Churches as public bodies, 192
 Church taxes, 192
 Citizenship and its functions, 212
 Civic equality (male and female), 190
 Civic lethargy, 35
 Civilization endangered, 260-261
 Classes, characterization of, 34-35
 ideals and realities of, 186-187
 labor, 34, 182, 183
 middle, 32, 182
 new function of, 179-180, 181, 184
 new system of, 179
 new theory of, 184-185
 social, 32
 Classical revival, 22
 Clemenceau, 116
 Clerical or Centrist vote, 99
 Coal, deliveries, 228
 European (German) reserves, 41-42, 227
 German exports, 229
 German production, 228
 German supply, 228-229
 German trading asset, 229
 Coalition Governments, 135
 Coke, German exports, 229

INDEX

- Cologne, 237
- Colonies, 230
- Color line, 223, 238-239, 255
- Commission of experts, 256-257
- Commissions of control, 231
- Commonwealth, The German, 209 ff., 211, 212
- Commonwealth, the Threefold*, 210, note
- Community life, 189
- Community, political, economic, social, 212-217
 - political and national, 144
 - speculative interest in, 210-211
- Communists, 96, 129
- Concern system, 169 ff.
- Concerns, 32
- Conciliation boards, 155
- Confederation of 1778, 119
- Congress, 139
- Congress of Vienna, 35, 52
- Constitution of Imperial Germany, 117-118
- Constitution of Republican Germany, 117ff.
 - adoption of, 113
 - amendments to, 132
 - and allied policies, 114-115
 - committee on, 113-114
 - compromises in, 147-149
 - economic provisions, see Article 165
 - failure to co-ordinate political, social, and economic government, 149
 - failure to define the Reich, 145
 - framing of, 113
 - new principle of state, 149-150
- Part I (political), 121 ff.
- Part II (social, economic), 121, 150 ff.
- Part II complement of Part I, 145
- possible changes in, 137-139
- preamble to, 117
- problems not solved by, 167-168
 - social provisions of, 189 ff.
 - temporary, 112
- Constitution of the United States, 270
 - original Amendments, 202
- Constitution of the Reich and the United States, 204-205
- Constitutions as grants, 35
- Copper, 230
- Council of Ambassadors, 238, 240
- Council of the League of Nations, 36
- Council system
 - difference between workers' and economic councils, 158-159
 - district economic councils, 160, 165-166
 - shop councils, 159, 163-164
 - workers' district councils, 159-160
 - workmen's and soldiers' councils, 92
 - see also National economic council
- Cuno (Chancellor), 134, 135-136, 137
- Currency depreciation, 251-253
 - effect on the population, 254-255
- Currency, emergency, 111
- Currency inflation, causes of, 246-247
- Danzig, 256
- David, 112
- Debt of the Reich, 110
- Debts of German States, 111

INDEX

- Deceptive prosperity, 247 ff.
- Declaration of Independence*, 256, 257, 262
- Defects of new economic system, 161-164
- Deliveries in kind, 232
- Democracy, 261
- Democracy a "nuisance," 262-263
- Democracy as a principle, 76
- Democracies of Greece, 19, 20
- Democratic government in 19th century, 35 ff.
- kultur, 32
- Party's (German) character and policy, 104, 105-107
- purposefulness, 77
- Democrats (German), 102, 112, 129, 135, 139
- Depreciation of industry, soil, transportation, 230
- of the mark, 245-246
- Deutsche Bank*, 245
- Deutsche Weltpolitik* (Hase's), 16
- Deutsche Werke*, 239-240
- Deutsches Reich*, renewal of, 118 ff.
- Deutsches Volk*, 207
- Deutschland uber Alles*, 208
- Deutsch-Luxemburg*, 51
- Dictatorship of the proletariat, 97
- Direct government, 106
- Disintegration of historical "estates," 33
- District economic councils, 165-166
- Dittmann, 97
- Dividends, 244-245
- purchasing power of, 247-248
- Divine right, 35, 37
- "Dumping" policy (Germany's), 243, 251
- Düsseldorf, 237
- Duty as dominant ideal, 66-67
- Dynasties, restoration of, 138-139
- East Prussia, 111
- Ebert, 93, 112, 113
- chancellor, 94, 95
- Economic community, 215-216
- Economic, councils, functions of, 167
- and political government, 167, 168
- Economic district councils, 160
- Economic effectiveness, 31
- Economic government, 150 ff.
- theory of, 41
- Economic kultur, 41 ff
- Economic nationalism, 48
- Economic recovery (impeded), 236-241
- Economic sanctions, 234
- Economic unity of Northwestern Europe, 51-56
- of Southeastern Germany, 56
- theory of, 59
- Education, 189
- changes in, 181
- the new, 195 ff.
- national ideal of, 197
- Einheitsschule*, 197
- Einkreisungspolitik*, 27, 28
- Election law, 128, 129
- Election, 1912, 40
- 1920, 129, 130
- Employer and employee, 150
- Ems, 237
- Enthroning kultur, 30 ff.
- Equality, 178
- before the law, 189-190
- Equipollence of social classes, 179-180
- Erfurt* (munition works), 239
- Erzberger, 113
- Estates, the historical, 33

INDEX

- Europe and social variations, 49-50
- Evacuation of German territory, 255
- Expansion of German industry, 41-42
 - beyond frontiers, 51-56
- Exports, 41
 - coal and coke, 229
 - taxation of, 231
- Federation, 105
 - and centralization, 123-124
- Fehrenbach, 137
- Fiat* money, 246
- Finances, German (1919), 110
- Foodstuffs, importation of, 111, 250
 - scarcity of, 109
- Foreign investments, 230
- Foreign loan, 225-256
- "Fourteen points," 261
- France, coal reserves, 42, 227
 - German coal, 228
 - iron ore reserves, 42, 227, and note
 - military expenditures, 68
 - standing army, 68
- Franco-German problem, 225
- Franconians, 119
- Frantz's *Deutschland und der Föderalismus*, 210, note
- Frederick II, 26
- Freedom for Germany, 224
- "Free" labor unions, 153
- French industry, 42, 43
 - policy, 104, 176, 222
- Fried's War Diary, 71
- Funke, 54
- Garde's *die metapolitischen Grundprobleme der neuen Generation*, 210, note
- Gary, 153
- GB 153
- General Congress of work-
 - men's and soldiers' councils, 97-98
- General Federation of German Labor Unions, 154
- General German Teachers' Association, 15
- General German Work-Community, 161, 162
- German citizen and subject, 75
- German citizenship, 212
 - commonwealth, 209 ff., 211-212
- Customs Union, 42
- Democratic Party, 99
- Emperor, 36, 38
- Empire, 26
- Governments and their weakness, 142
- Hanoverian Party, 99
- ideal of industrial production, 45
- kultur and its finer qualities, 85
- literature, 23
- mind and the early victories, 86
- national unity, 23, 25, 26
- particularism, 50
- people, 204, 205, 206-209
- People's Party, 99, 103, 107-108, 113, 129, 135, 136, 139
- point of view, 177-178
- propaganda, 269-270
- Schriftsprache*, 23
- states, 125
- subject, 74-75
- territory as battleground, 26
- tribes, 119
- world policy, 16
- Germanic conception of the state, 20-21
 - Europe and state absolutism, 21
- Germany, coal deliveries, 228

INDEX

- coal reserves, 41-42
- colonial policy, 25, 27
- economic problem, 24
- frontiers, 25, 27
- industrial expansion, 44-45
- industrial exports, 41
- industrial organization, 44
- invasion, 25, 26
- iron ore reserves, 227
- isolation, 86-87
- military expenditures, 68
- national debt, 110
- natural resources, 41-42, 227 ff.
- standing army, 68
- without a government, 90-100
- Germany and Russia, 224, 225
- Germany's Tragedy*, 75-76
- Gewissen*, 210, note
- Giesberg, 113
- Gleichen, 210, note
- Goldpayments, 111
- Gold profits and paper profits, 253
- Gothein, 113
- Government, control of industry, 105
- functions reserved to the Reich, 132
- organs of, 127 ff.
- ownership of natural resources, 105
- political, economic, social, 126-127
- theory of economic (government), 41
- "Government of the people, by the people, for the people," 217
- Greece, 263, 266
- Grundschule*, 197, 198, 199
- Gymnasia*, 199
- Hamburg, 211, note
- Haniel, 54
- Hanover, 106
- Hasse, 16
- Hebrews, 20
- Hegel, 19, 22
- Heine, 199
- Helfferich, 232
- Hindenburg, 89, 94
- Hirsch-Duncker shop unions, 152-153
- Hochschule fur nationale Politik*, 210, note
- Hoerschelmann's *Person und Gesellschaft*, 210, note
- House of Representatives, 139
- "Hun," 225
- Immigration (U. S. A.), 270-271
- Impairment of coal production, 228-229
- of coal reserves, 227
- Imperial chancellor, 36
- federation, 36, 37
- Germany, 21
- Imperialism, romantic theory of, 22
- Incriminations during the war, 81-83
- Independent Social Democrats, 98, 99, 103, 113, 129
- Industrial cartels, 169
- leaders before the war, 84
- losses by treaty, 230
- magnates and the war, 85-86
- organizations, 44, 169
- production, 32, 244
- revolution, 32-33
- rivalry (France, Great Britain, Germany), 42 ff.
- syndicates, 169
- trusts, 169
- unification of northwestern Europe, 51-56
- workers, 41

INDEX

- Industrialists, their rising power, 40-41
- their national ambition, 54-56
- political vote, 99
- Industry, expansion of, 44-45, 51 56
- government control of, 105
- impairment of, 110
- organization of, 151-152
- unification of, 56
- Inefficiency (government), 141
- Inflation, 245 ff.
- Initiative, 128
- International community, 258
- Intrigues of French Court, 27
- Iron ore deposits, 42, 227
- Iron, production of, 229
- Israel, 266
- Italy and German coal, 228
- Judiciary, 122, 132
- Junkerdom, 178
- Kiel, the November revolt, 92-93
- Krupp, 54
- Kultur as a system, 31 ff.
- and "culture," 29-30
- in America, 46-49
- Labor class, rise of, 34
- Labor, dignity of, 184
- function of, 34
- organization of, 151, 153-154
- unions of, 152-153
- Lambach's *Kultur des Kaufmanns*, 210, note
- Land of the Future*, 206
- "Land of Liberty," 263
- Landsberg, 112
- Lassalle, 152
- Lead, 230
- League of Nations, 36, 235, 257, 258, 260
- Legend of German prosperity, 245
- Legien, 153
- Leibrock's *Arbeitsgemeinschaft*, 210, note
- Lest the people perish, 266-268
- Liberalized conventions, 199-201
- Liberty, ideal of, 268
- personal, 189 ff.
- Liebknecht, 98
- Limited State, 20-21
- Lincoln's Gettysburg address, 217
- Liquidation of treaty debts, 233
- Lloyd George, 70, 261, 262
- London Conference, 236
- London ultimatum, 110, 135-136, 231, 232, 246
- Loss of territory, 230, 233
- Ludendorff, 89, 91, 224
- Lusitania, 13
- Luxemburg, iron ore, 42, 229
- Luxemburg, Rosa, 98
- Majority Social Democrats, 102, 104, 105, 112, 113, 135
- Malnutrition in Germany, 109
- Mark, depreciation of, 251
- purchasing power of, 252
- Marx, 152
- Marxian doctrine, 107
- Maximilian of Baden, 91, 93, 94
- Mechanization of energies, 32
- Mediæval revival, 22
- Melting pot, 268
- Meray's *World-Mutation*, 70, 71
- Merchant marine, 230, 233
- Metal workers union, 154
- Metternich, 27
- Middle class, 32, 182
- Militarism, 60, 67-72
- condemnation of, 69-70

INDEX

- consequences of, 71-72
- supposed benefits of, 70
- Militarism and *Militarismus*, 68, 69
- Militarismus*, 60, 67
- Military caste, 178
- commissions, 238-241
- expenditures, 68
- forces, 68
- occupation, 231
- receivership, 89-90
- sanctions, 234
- Ministry, 39, 122
- Minor political parties, 99-100
- Moeller van den Bruck's *Vaterland and Mutterland*, 210, note
- Monarchical vote, 99
- Monarchy and oligarchy, 40
- Monroe Doctrine, 27
- Moratorium (1922), 232
- Munition works, 238, 239, 240

- Napoleonic rule, 35
- wars, 26, 34
- "Nation" and "Union," 120
- Nation's capital, impaired, 250
- National Assembly, 96, 98, 108
- character of, 100
- elections to, 98-101
- factions in, 101
- in session, 112 ff.
- opposition to, 96, 97
- parties in, 99-100
- problems of, 108-111
- summoned, 102
- National community and its constituent communities, 140
- National economic council, 149, 160, 161, 164-166, 168, 169
- National egotism, 84-85
- National German People's Party, 99, 103, 106, 113, 129, 224
- National Government and State governments, 123-124
- National Union of German Industry*, 86
- Nationale Jungkaufmannschaft*, 210, note
- Nationalism (American), 20
- Nationalized economics, 48-56
- Nationalized economic kultur, 49 ff.
- Need of an ethical ideal, 266-268
- Negro problem, 203
- Neue Front*, 210, note
- Neue Gesellschaft*, 210, note
- New enterprises, 244
- New government, reasons for its failure, 133 ff.
- New stock companies, 244
- Nickel, 230
- Nitrates, 232
- Nobility, 33
- Northern France, 26
- Northwestern Europe, industrial control of, 53-55
- Norway, iron ore, 229

- Officials, old and new, 174, 175
- Old order, condemnation of, 102
- failure of, 89
- Organization of German society, 32
- Organization of industry, see Industry and Industrial
- Organs of government, 129-131
- Orientalism, 21

- Palatinate, 26
- Panama Canal Tolls, 48
- Pan-German Germany (*Pan-germanisches Deutschland*), 16
- Pan-Germanism, 15 ff., 29, 57

INDEX

- and German unity, 16
- and Prussianism, 17-18
- Pan-German Union*, 14, 15 ff.
- Pannwitz's *Deutsche Lehre*
210, note
- Parliamentary Government,
137-139
- Partisan politics in Govern-
ment, 135 ff.
- Passing of the old state, 92
- Patriotic service law, 155
- Peace, its effect, 273
- Peace Conference, 108, 112
- Peace proposals of industrial-
ists, 111-112
- Peasantry, 33
- People, the sovereignty of, 118
- Pericles, 19
- Personal liberty, 189 ff.
- Plebiscite, 125
- Poland, 26
 - coal reserves, 227
 - iron ore reserves, 227
- Poland and German agricul-
tural lands, 230
- Poland and Silesian coal, 228
- Polenz, 206
- Polish corridor, 256
- Political cliques, 135
 - discussion, 23
 - government, 121-122, 126-
127
 - kultur, 35-41
 - overlordliness, 32
- Political parties, 99, 103-105
 - bourgeois, 102
 - majority, 104-107
 - middle, 135
 - minor, 129
- Political state, 105, 262
- Political subordination, 31
- Politics and economics, 25
- Politisches Kolleg*, 210, note
- Population and people, 268
- Population problem, 44, 45
- Prejudice against trade with
 - Germany, 250-251
- President (the), 122, 130, 139
- Pruss, 113
- Proclamation to the German
People, 95-96
- Protective tariff, 48
- Protestant Church, 201
- Provisional Government, 94 ff.
- Prussia, 38, 40
 - partitioning of, 106
- Prussian Diet, 37
- Prussian idea of State, 18-19
 - three-class system, 37
- Prussianism, 13, 14 ff., 263
- Public, the political, the eco-
nomic, and the social, 63
- Public schools, 193
- Purchasing power of the mark,
247-248
- Rathenau, 170, 171, 210, note
- Raw materials, importation of,
250
- Reaction in Bavaria, 200, 201
- Reactionary gains in 1920, 129
- Reconstruction following Na-
poleonic Wars, 34
- Recovery, conditions of Ger-
man, 245-258
- Red Cross (parade), 66
- Referendum, 128
- Reich* and *the people*, 119, 120,
204-210
- Reich and states, 122
- Reich as an ideal reality, 209-
212
 - as the national community,
144
 - exclusive powers of, 132
 - functions of its government,
123-127
 - its integral communities, 144
- Reich, the old government,
36 ff.
- Reichsbank*, gold holdings and
notes, 110

INDEX

- Reichsrat*, 122
 - powers of, 131
- Reichstag*, 122
 - a parliament, 128
 - "blocs" in, 135
 - first elections to, 128, 129
 - how constituted, 128
- Reichstag* (the old), 36, 37
 - controlled by the government, 38
 - powers of, 38-39
 - representation in, 37-38
- Reichswerke*, 239
- Reimer's *A Pan-German Germany*, 16
- Religious societies, 189
- Religious teaching in schools, 191
- Reparation Commission, 256-257
- Reparations, attempts to pay, 233
 - demands, 230-231
 - in kind, 228, 229, 231
 - payments, 231
 - refusal to pay, 137
 - settlement by conference of experts, 256-257
- Restoration of dynasty, 138-139
- Revolution of 1848, 35
- Revolution of 1918-19, 88 ff.
 - conference of provisional Governments, 97
 - inception of, 92, 93
 - spread of, 93-95
 - withdrawal of Independent Social Democrats from provisional government, 98
- Rhein Elbe Union*, 51
- Rhenish Republic, 52
- Rhenish Westphalia, 237
 - and Prussia, 52
- Rhine (the), 237
 - as tariff barrier, 237-238
- Rhine ports, 237
- Rhinelands, 106, 223
- Rhinelands commission, 237, 238
- Rolling stock, 230
- Rome, 263, 266
- Roosevelt, 73
- Ruhr (the), 53, 134, 237
 - occupation of, 136, 137, 183
 - note, 228, 233-234
- Ruhrort-Duisburg, 237
- Russia, military expenditures, 68
 - standing army, 68
- Russia and Germany, 224, 225
- Saarbasin, 53, 256
- Sabotaging Germany, 234-238
- Sanctions, 236-238
 - military and economic, 234, 236-237
- Saxons, 119
- Scheidemann, 93, 112, 114
- Schiffer, 113
- Schools, 189, 199
 - religious instruction in, 191
- Schoolsystem, national, 192-193
- Schmidt, 112
- Secret ballot, 37
- Sectionalism, 134
- Securities, sale of German abroad, 250
- Selective conscription, 123
- Senate (United States), 139
- Separatism (Bavarian), 134
- Service, new ideal of, 174 ff, 181, 184
- Servility, 34
- Seven Years' War, 23
- Shipsubsidy, 48
- Shopcouncils, 159, 162-163
 - effect on production, 163-164
- Siemens-Schuckert Konzern*, 169-170

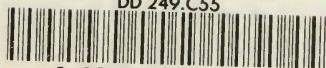
INDEX

- Simultanschule*, 191
 Sinzheimer, 158
 Social arrogance, 32
 classes (before the war), 33-34, 35
 community, 214-215
 disunion, 23
 kultur, 32-35, 49, 50
 order (changes in), 173 ff.
 revolution, 178-179
 stratification, 33
 transitions, 186-187
 Social Democracy, 39-40
 and state absolutism, 35, 36, 147
 as treason, 34
 Social Democrats, 99, 129, 136, 139, 147, 153
 demand for Kaiser's abdication, 93-94
 leaders, 181
 vote war credits, 85-86
 Socialization, 104, 106, 147
 Society, its four classes, 32
 its historical order, 33
 under the new constitution, 189 ff.
Society for the Advancement of Germanism, 15
 Soil, depreciation of, 230
 Sovereignty of the people, 118
 Spahn, 210, note
 Spain, iron ore, 229
Spandau-Haselhorst (munition works), 239
 Sparta, 20
 Spartacus, 98
 Speaker of the House, 36
 Spoiled child of Europe, 241, 242
Staatenausschuss, 98, 112
 Stabilization of the currency, 255
 Stadtler, 210, note
 State (the) conception of, 18, 19, 20, 21
 State absolutism, 21, 22, 27
 State socialism, 22, 105, 106
 States as departments, 105
 Statesmen and war psychosis, 83-84
 Static kultur, 30
 Steiner's *Threefold Commonwealth*, 210, note
 Stinnes, 51, 54, 137, 170, 171, 178, 224
 Stumm, 54
 Suabians, 119
 Subjects, 215
 see German subject
 Subserviency, 31, 34
 Supreme Court, 132
 Sweden, iron ore, 229
 Sybel (von), 19, 22
 Syndicates, 32
 Temporary Government under the National Assembly, 112, 113
 Territorial community, 214
 Theory of class function, 179-180
 Theory of economic government, 41
 Thirty Years' War, 26, 33
 Three-class system of Prussia, 37
 Three standards of values (*See* Industry), 252-253
 Tin, 230
 Tirpitz (von), 89, note 1
 Tönnies's *Gemeinschaft und Gesellschaft*, 210, note
 Trade and the flag, 47-48
 Transportation, 230
 Treaty of Versailles, 59, 232, 259, 260
 and Germany's national resources, 227-228
 most favored national clause, 242-243

INDEX

- political effects in Germany, 257
- reparation commission, 256
- revision desirable, ?
- Treitschke, 19, 22
- Triune Reich, 213-217
- Trusts, 32
 - vertical, 169 ff.
- Unemployment, 244
- Unification of industry, 51 ff.
- Union of government employees, 154
- Unions of salaried employees, 154
 - see* Labor
- Unitary State, 105, 106
- United Chamber of German Industry, 152
- United States of America, Constitution, 118, 202
- Unity, economic and political, 59
 - German national, 25, 26
 - social and political, 60
- Universal suffrage, 37
- Upper Silesia, 56
 - coal production of, 228
 - loss of, 234-236
 - partition of, 256
- Values (vanishing), 247-250
- Variableness of kultur, 30
- Variations in social and political kultur, 49, 50
- Verein für das Deutschtum im Ausland*, 15
- Vertical trusts, 169-170
- Wages and salaries, 182-183
- War, German people's view of, 69
 - of conquest, 85, 86
 - of peoples, 81-82
- War psychosis, 81-84
- "We, the people," 204-206, 267-268
- Wealth, annual increment, 232
- Weber's *Might and Man*, 74
- The Subject*, 74
- Weimar Assembly, its problems, 109 ff.
- Westphalia, 106
- What "dumping" cost Germany, 251
- What happened to Germany, 222 ff.
- Wiesbaden agreement (protocol), 231
- William II, 37, 85
- Wilson, 91, 261, 262
- Wirth, 135, 137
- Wissel, 112
- Wolfgang* (munition works), 239
- Wood (deliveries), 232
- Work-community, 161, 162
- Worker's councils, 158-159
 - district councils, 159, 160, 164-165
 - national council, 159-160
- Working class, 182-183
- Workmen's and soldiers' councils, 92, 95
- World policy (Germany's), 16
- Württemberg Burgher Party, 99
- Zinc, 230

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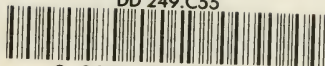


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INDEX

| | |
|-------------------------|--------------------|
| cal effects in Germany, | War, German peop |
| | 69 |
| ation commission, 256 | of conquest, 85, |
| ion desirable, ? | of peoples, 81-8 |
| hke, 19, 22 | War psychosis, 81- |
| Reich, 213-217 | "We, the people," |
| 32 | 268 |
| ff. | Weath |

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